



eBusiness Center

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California Department of General Services  
Enterprise Business Office

Business Process Review  
November 2000 – March 2001

Volume I: Final Report

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### **FOCUS GROUP SUMMARIES**

- A. ABC – Department of Alcoholic Beverage Control
- B. BOE – Board of Equalization
- C. CDI – California Department of Insurance
- D. CIWMB – California Integrated Waste Management Board
- E. CORP – Department of Corporations
- F. DCA – Department of Consumer Affairs
- G. DFEH – Department of Fair Employment and Housing
- H. DFI – Department of Financial Institutions
- I. DGS – Department of General Services
- J. DIR – Department of Industrial Relations
- K. DMV – Department of Motor Vehicles
- L. DOT – Department of Transportation
- M. DSS – Department of Social Services
- N. DTSC – Department of Toxic Substances Control
- O. EDD – Employment Development Department
- P. FTB – Franchise Tax Board
- Q. HCD – Department of Housing and Community Development
- R. SOS – Secretary of State
- S. SWRCB – State Water Resources Control Board
- T. TTCA –Technology, Trade, and Commerce Agency

### **ADDITIONAL APPENDICES**

- U. G2B Process Priority Results
- V. Business Models
- W. Business Focus Group Summary
- X. Architecture and System Development Models
- Y. DOJ Criminal Background Check Summary

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## Executive Summary

Businesses operating in California must interact with state government agencies<sup>1</sup> to establish their businesses legally, obtain necessary permits and licenses, meet various reporting requirements, and pay several forms of tax. From the businesses' perspective, this means navigating a maze of bureaucratic red tape to identify *which* agencies need *what* information and *in what order* to accomplish basic tasks – all of which take time and resources away from their principal objective, running successful businesses.

Businesses in California are demanding services from the state government equivalent to those offered in the private sector because they see significant benefits from online services. They want a “customer-centric approach” that provides useful and factual information oriented to the business community. Businesses do not distinguish between government agencies, but see agencies as “the government.”

For businesses, an eBusiness Center portal means increased efficiencies and reduced costs for doing business in California by reducing bureaucracy, paperwork, and the costs in time and money. The eBusiness Center portal can also help California businesses overcome geographical barriers and inequities by providing services to all businesses within the state no matter their size or location.

As a part of the development of the eBusiness Center portal, the Enterprise Business Office (EBO) contracted with PricewaterhouseCoopers LLP (PwC) to conduct a business process review of government-to-business (G2B) transactions in 20 state agencies that provide critical services to businesses. (See

**Figure I.)** This executive summary reviews the findings. Based on our research,

**Figure I. Participating Agencies**

Participating Agencies	
ABC	Department of Alcoholic Beverage Control
BOE	Board of Equalization
CDI	California Department of Insurance
CIWMB	California Integrated Waste Management Board
CORP	Department of Corporations
DCA	Department of Consumer Affairs
DFEH	Department of Fair Employment and Housing
DFI	Department of Financial Institutions
DGS	Department of General Services
DIR	Department of Industrial Relations
DMV	Department of Motor Vehicles
DOT	Department of Transportation
DSS	Department of Social Services
DTSC	Department of Toxic Substances Control
EDD	Employment Development Department
FTB	Franchise Tax Board
HCD	Department of Housing and Community Development
SOS	Secretary of State
SWRCB	State Water Resources Control Board
TTCA	Technology, Trade, and Commerce Agency

**PwC would like to thank the agencies participating in the Business Process Review for their enthusiasm and dedication to the project.**

<sup>1</sup> The generic term “agency” refers to state agencies, departments, boards, and other constitutional state offices.

California is one of the first states in the nation to undertake a comprehensive assessment of G2B interactions and develop an action plan driven by business needs.

## **Approach**

The Business Process Review was a four-month study across 20 agencies to identify and prioritize government-to-business (G2B) processes for inclusion in the eBusiness Center portal. PwC took the following approach:

**Historical Data Collection and Agency Survey** (November 2000) – PwC collected existing data from each agency about G2B processes identified by the agency and conducted a survey to get information such as volumes, supporting technology, and dependencies on other agencies.

**Agency Focus Groups** (December 2000) – PwC conducted focus group sessions with each participating agency to better understand current business processes. The goals of the focus groups were to map G2B processes identified as candidates for the eBusiness Center portal at a high level and understand how businesses and supporting systems interface with the processes.

**Business Focus Group** (January 18, 2001) – PwC also conducted one focus group session with small businesses to better understand business needs in interacting with the state and provide input and guidance in determining criteria for prioritizing G2B processes.

**Process Analysis** (December 2000 and January 2001) – PwC then analyzed the results and developed a business lifecycle framework to align the G2B processes across the 20 participating agencies.

**Cross-agency Focus Groups** (January 2001) – Using the business lifecycle framework, PwC held five cross-agency focus groups. Emphasis was placed on the most common lifecycle phases – initial set up, initial licensing/permits/certifications/registration, license/permit/certification/registration renewals, reporting, and taxation. During these sessions the agencies developed business models for each lifecycle phase.

**Process Prioritization** (January and February 2001) – PwC used an analytical framework that examined the criticality, or the benefit to business customers, and the feasibility, or the ease of implementation, to prioritize G2B business processes across the 20 participating agencies within the business lifecycles.

**Implementation Strategy Development** (February 2001) – As a result of this prioritization, PwC developed an implementation strategy to guide the state in moving forward with the eBusiness Center portal development.

## **Limitations**

PwC has made no attempt through this study to examine if there are additional state agencies whose G2B business processes should be included in the eBusiness Center portal or if the processes reviewed were representative of other non-included agency processes. The short timeframe for the Business Process Review did not allow for an independent validation of the agencies' survey responses or the activity diagrams and descriptions developed during the focus groups.

## **Business Customer Perspective**

The EBO invited businesses to participate in a focus group to discuss challenges, potential solutions, and barriers of opening and operating a business in the State of California. Businesses expressed frustration at:

- Not knowing where to look for information or finding information not well organized on the state's web site
- Not knowing what level of government to deal with – state, local, federal
- Finding inaccurate or outdated information on the web site

They proposed potential solutions such as creating better search capabilities on the web site; enhancing customer service through provision of help desk support, enhanced on-screen help, or online tutorials; streamlining the licensing and payment processes; and integrating local and federal government processes with the state's processes.

These business customers seemed excited at the opportunities the eBusiness Center portal could provide, but also expressed several concerns:

- Businesses are concerned with security and privacy of information communicated through the eBusiness Center portal.
- Though many businesses have computers, the state needs to remember that these computers may be older and have limited bandwidth capability. The eBusiness Center portal should be developed for businesses with slower connections than the latest high-speed options such as cable modems.
- Lack of uniform processes across the state makes it extremely time consuming and cumbersome for businesses to interact with these agencies as well as local governments.
- The benefits of the eBusiness Center portal have not been well advertised to the business community.
- Businesses want the option to contact a live person if they need help with an online transaction.



Many of these same issues are supported by the Business Needs Assessment conducted by the University of California, Los Angeles (UCLA) for the EBO.<sup>2</sup> The highest priority services that businesses would like to see on the state's portal, according to the survey preliminary results, are basic information search and retrieval (e.g., regulations, codes, forms) and application and renewal of licenses, permits, registrations, and certifications.

### **Internet Readiness**

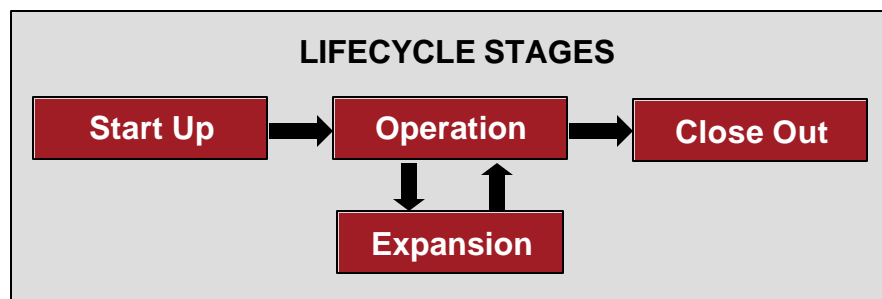
PwC reviewed the 20 agencies' Internet readiness based on an agency self-assessment and information from the agency focus group session. Readiness is defined by both what kind of web presence an agency has and how ready its systems and processes are to seamlessly provide services through the web.

All state agencies have an online presence, meaning that they have web sites with substantial information about the agency and its programs. Most agencies also have forms online that can be printed and sent to the agency for processing by mail or in person. Fewer agencies give business customers the ability to initiate a transaction online, and fewer still allow a customer to complete a transaction online. The reason is not only that customer-facing systems have yet to be developed, but also that backend systems are in varying stages of readiness to interface with a web front end. Building front-end systems not integrated to the back end fails to create improvements in the existing processes and may result in dissatisfied customers, who expect a higher level of service over the Internet than through traditional channels. Business process reengineering must go hand-in-hand with the eBusiness Center portal development to reap the biggest rewards for businesses.

### **Business Lifecycle Framework**

As a result of reviewing 178 processes with 20 agencies, PwC identified a business lifecycle analytical framework to organize the business processes across these different agencies. The framework identified four major stages businesses may go through – Start Up, Operation, Expansion, and Close Out.

**Figure II. Business Lifecycle Stages**



<sup>2</sup> This conclusion is drawn from preliminary results made available to PwC.

Within each stage, businesses conduct a number of activities with the government. PwC reviewed the 178 agency processes and found similarities between the activities conducted by different industries at different stages. PwC grouped these similar processes into Lifecycle Phases. The Lifecycle Phases will help the state understand how the eBusiness Center portal can develop software applications to be shared by many agencies. The Lifecycle Phase framework will help the state to design an “intentions-based” user interface, where the business does not need to know which agency provides a service, but rather needs only know what he/she “intends” to do on the eBusiness Center portal.

**Figure III** describes each lifecycle phase and identifies the stages into which it falls.

**Figure III. Lifecycle Phases<sup>3</sup>**

LIFECYCLE PHASE	START UP	OPERATION	EXPANSION	CLOSE OUT
<b>Initial Set Up</b> – Initial Set Up refers to the processes that a business must complete with the state to establish itself as a business that is allowed to operate in California. This phase includes four agencies – BOE, EDD, FTB and SOS – but does not include licensing or registration specific to a business industry.	✓		✓	✓
<b>Licensing</b> – Licensing refers to application and payment for <b>licenses, permits, certifications, and registrations</b> with a specific agency. The level of complexity varies from the simplest registrations with no required approvals or payment to the most difficult licensing and permitting processes with payment, examinations, criminal background check, and inspections.	✓		✓	
<b>Renewals</b> – Renewals refers to application and payment for renewals of licenses, permits, certifications, and registrations that are part of the Licensing phase. The Renewals phase also includes maintenance processes such as change of address and compliance or enforcement processes such as payment of fines.		✓		
<b>Reporting</b> – Reporting refers to the provision of information to state agencies or the requesting of information from state agencies. Reporting is generally either time-based (e.g., annually, monthly) or event-driven (e.g., when a ticket has been issued or an inspection has occurred). Reporting may trigger a subsequent process or require a fee payment.	✓	✓	✓	✓

<sup>3</sup> Although several agencies identified procurement processes, procurement is not part of this report because procurement is a reversal of the customer-supplier relationship as identified in the other G2B processes being considered for the portal. In the other processes, the government is the supplier and the businesses the customers. In procurement, the government becomes the customer and the businesses the suppliers.

LIFECYCLE PHASE	START UP	OPERATION	EXPANSION	CLOSE OUT
<b>Taxation</b> – Taxation refers to processes where businesses file returns and make payments for state income, sales and use, and employment taxes as well as other premiums and assessments levied by state agencies.		✓	✓	✓
<b>Information/Customer Service</b> – Information/Customer Service includes three levels of information requests: (1) static information on state agency regulation, policies, procedures, and other general information, (2) ad hoc data search and retrieval, and (3) ad hoc information requests and complaints that require analysis and specific answers or resolution. This category also includes distribution of forms and other inventory.	✓	✓	✓	✓
<b>Claims and Funding</b> – The Claims and Funding phase refers to demands by a business against state or federal funds or demands by an individual against an employer’s account, such as for unemployment or requests for grants or loans from the state by a business. The processes in the Claims and Funding phase include processing requests, payment, and exception/protests.		✓		

Each lifecycle phase includes processes from several agencies. **Figure IV** shows the number of agencies that identified processes in each lifecycle phase and the total number of processes by lifecycle phase.

**Figure IV. Number of Business Lifecycle Phase Processes**

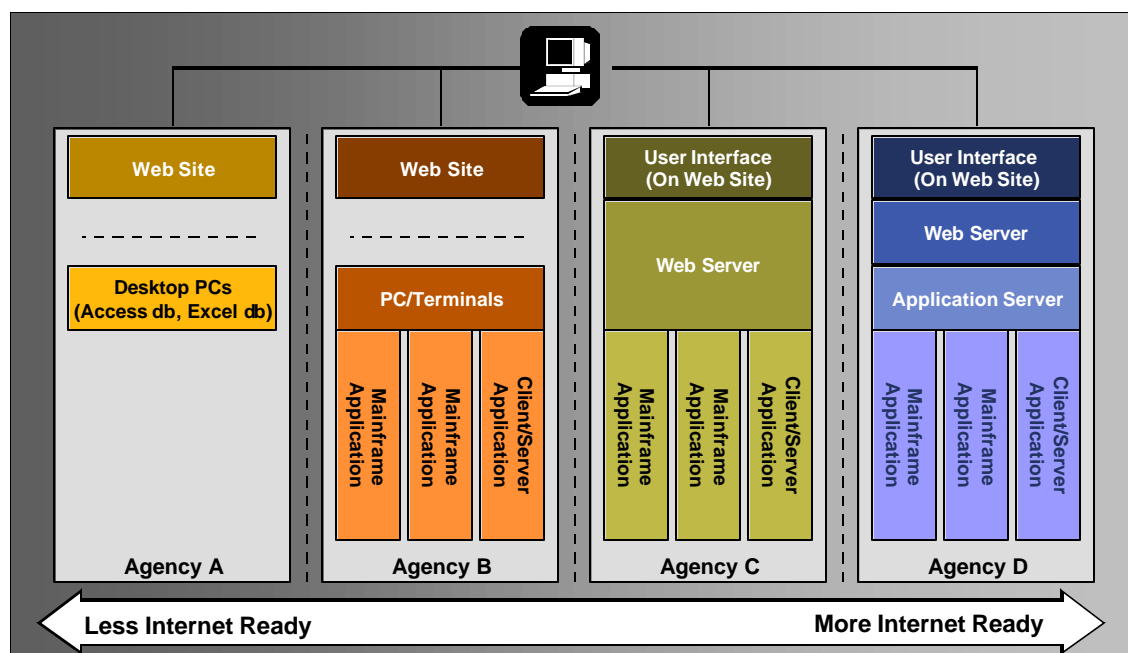
LIFECYCLE PHASE	# OF AGENCIES	# OF PROCESSES
Initial Set Up	4	11
Licensing	16	73
Renewal	5	10
Reporting	15	26
Taxes	6	12
Information/Customer Service	12	18
Claims and Funding	5	21
Other	3	7

## Implementation Strategy

Most critical to the successful implementation of an eBusiness Center portal is whether customers find value in it. Is the eBusiness Center portal convenient to customers? Does it save customers time or provide unique value to customers? Do customers feel secure using the eBusiness Center portal?

In today's environment, a business that wishes to use the Internet to interact with the state will find that in general the state has limited capabilities, although some agencies are more sophisticated than others in their Internet offerings. The business must first find the correct agency's web site for a given transaction and then navigate through the web site to find the appropriate page. In many cases, the business will find that the only available option is to print a form off the web page and submit it through U.S. mail or in person. In the current web environment, state agencies may not have integrated the web to backend systems, as shown in **Figure V**.

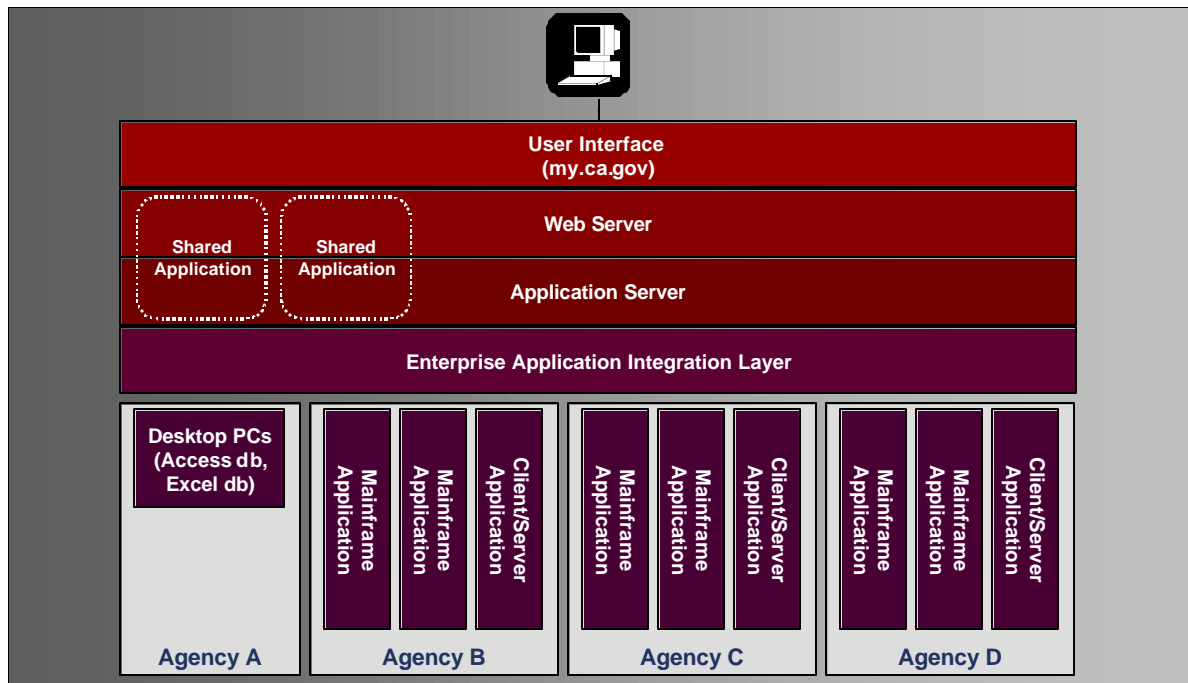
**Figure V. Current Web Environment**



The goal of the eBusiness Center portal is to aggregate G2B information and services across state agencies into a seamless web eBusiness Center portal. A business should not need to know which agencies are responsible for a given transaction. The eBusiness Center portal should be intelligent to meet businesses' needs. A business should be able to submit basic information such as address change once and expect that all affected state agencies' records be updated. The eBusiness Center portal should also be efficient by sharing applications for similar processes across multiple agencies and employing a technical architecture that

anticipates and meets businesses' demands for online services. This integration of systems and services is shown in **Figure VI**.<sup>4</sup>

**Figure VI. Future Web Environment**

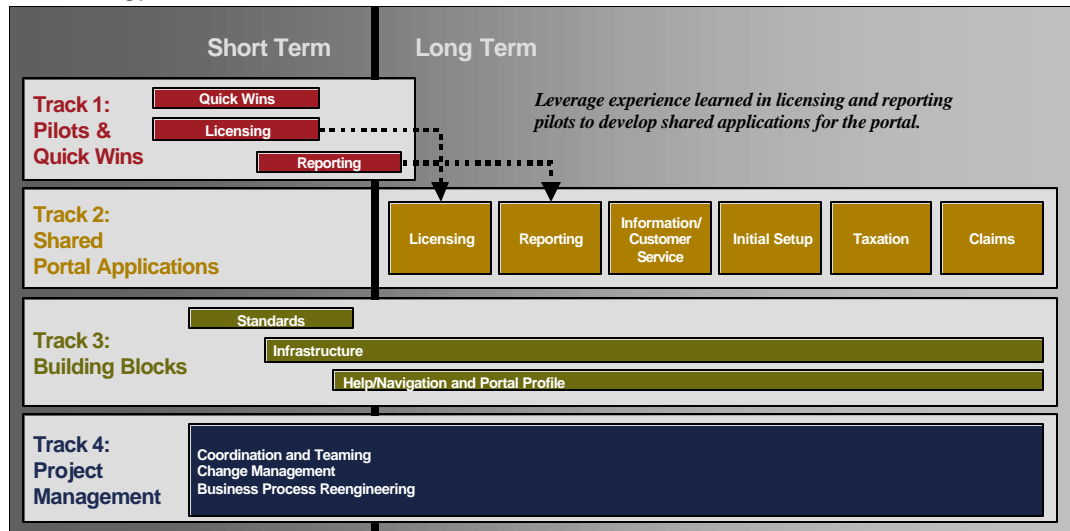


The State of California needs to take a two pronged approach to develop its eBusiness Center portal. It must quickly show successful implementation to meet the growing demand from customers. At the same time, it must embark on the difficult journey of creating the building blocks, or the basic infrastructure, for its eGovernment. This implementation strategy is shown in **Figure VII**.

<sup>4</sup> Shared portal applications are developed through the use of components that are built to embed the common functionality required by processes of a particular type. For example, rather than implementing a templated Licensing application that is then copied and modified for every type of license that the G2B portal must accommodate, a single Licensing application is implemented that can dynamically accommodate multiple different license types each having a specific process that varies slightly from a common and fundamental licensing process.

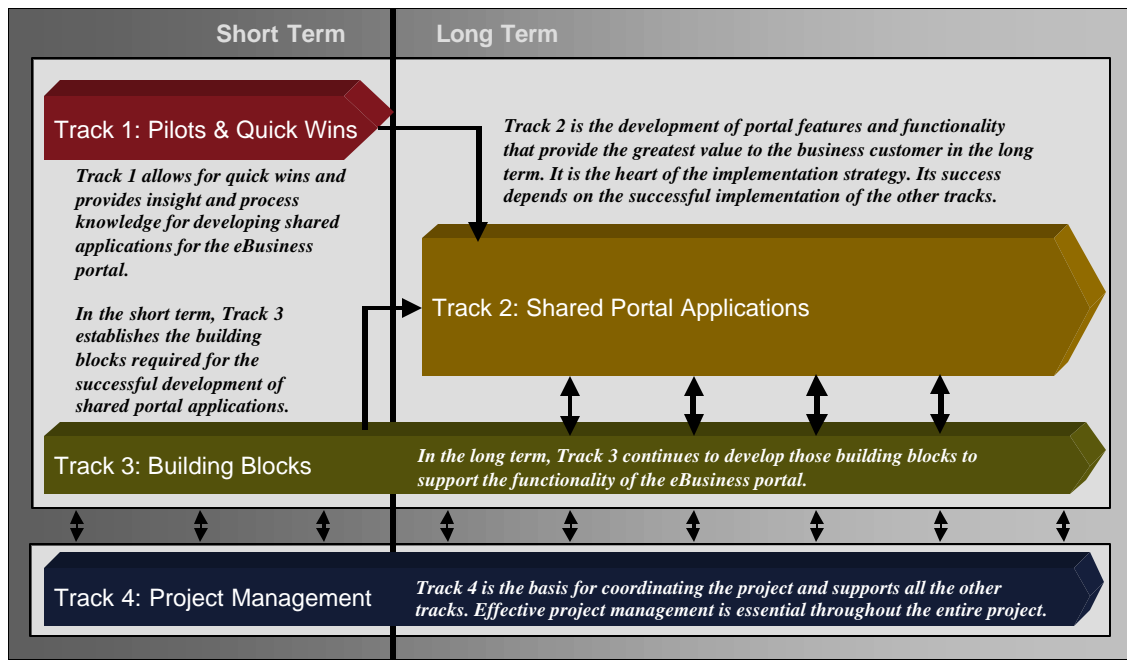
**Figure VII. eBusiness Center Portal Implementation Strategy**

The strategy has four basic tracks. Track 1 continues to build on the successful



pilots, while incorporating existing online G2B transactions and information into the eBusiness Center portal in the short term. It also encourages pilot development as a learning tool, while the basic infrastructure is developed. Track 3 creates that basic enterprise infrastructure, or the building blocks, for the eBusiness Center portal. For the longer term, the state needs to begin to develop shared portal applications, built on the enterprise infrastructure. The EBO has contracted with Deloitte Consulting to analyze the business and technical requirements and recommend the functionality and architecture needed for an eBusiness Center portal. Development of shared portal applications (Track 2) cannot begin until some of the building blocks are started and several more pilots have been completed. Finally, Track 4 emphasizes the need for project management, change management, and business process reengineering throughout the short and long term implementations. **Figure VIII** shows the relationships among the strategy's development tracks.

**Figure VIII. Relationships among Development Tracks**

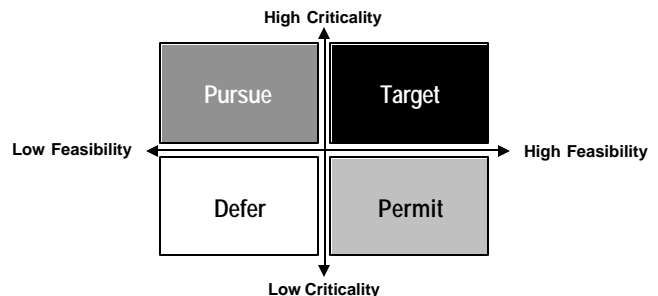


To identify which of the agency processes would be best suited for Tracks 1 and 2, PwC developed a prioritization framework. This framework provides a qualitative analysis, based on identified criteria, of which processes are the best candidates for the eBusiness Center portal. The prioritization framework is called the Criticality/Feasibility Framework.

**Criticality**, or how critical the process is to the success of the eBusiness Center portal project, is a function of the potential benefits to business customers and the government agencies involved. **Feasibility**, or how easily the process can be incorporated into the eBusiness Center portal, is a function of the agency's Internet readiness and the degree of required manual intervention to complete the process.

Processes that are identified as either **Target** or **Pursue** are the processes that are most critical, or likely to provide the greatest value to business customers and are the processes the state should consider first.

**Figure IX. Prioritization Framework for Including Processes in the Portal Project**



The following tables present these **Target** and **Pursue** processes for each of the seven lifecycle phases:

**Figure X. Initial Set Up Priority Processes**

INITIAL SET UP		
Agency Process	Process Name	Annual Volume
Target		
BOE # 1	Taxpayer Registration	260,238
BOE # 3	Online Registration	N/A
BOE # 5	Closeout	200,000
EDD # 1	Employer Registration	127,000
SOS # 3	Corporations Filings	180,000
SOS # 5	LLP / General Partnership Filing	299,373
Pursue		
FTB # 6	Suspension Process	50,185

**Figure XI. Licensing Priority Processes**

LICENSING		
Agency Process	Process Name	Annual Volume
Target		
DCA # 1C	Licensure, Bureau of Barbering and Cosmetology (BBC)	14,119
DCA # 1F	Licensure, Bureau of Security and Investigative Services (BSIS)	54,724
DFI # 2	Transmitters of Money Abroad, New Agents	3,000
DMV # 9	Motor Carrier Permit (MCP)	56,000
DTSC # 1	Registration EPA ID Issuance	26,000
HCD # 12	Requestor Agent Administration	N/A
SOS # 7	Notary Commissions Applications	49,717
SWRCB # 1	Storm Water Permits	15,000
SWRCB # 2	Storm Water Permit Annual Payment	10,000
Pursue		
CDI # 2	Producer / Adjuster License Applications	50,000
CORP # 1	Licensing	12,312
CORP # 7	Qualification of Sales of Securities and Franchises, and Amendments	46,000
DCA # 1A	Licensure, Bureau for Private Postsecondary and Vocational Education (BPPVE)	5,028
DCA # 1B	Licensure, Bureau of Automotive Repair (BAR)	15,825
DGS # 1	SB and DVBE Certification	24,128
DMV # 2	Occupational License	37,927
DOT # 1	Encroachment Permit	17,500
DOT # 2	Disadvantaged Business Enterprise Certification	4,800
DSS # 1	Community Care Licensing	13,452
DSS # 2	Criminal Background Check	159,097
DSS # 4	Administrator Certification	6,500



LICENSING		
Agency Process	Process Name	Annual Volume
SOS # 6	Notary or Public Official Authentication	87,418

**Figure XII. Renewals Priority Processes**

RENEWALS		
Agency Process	Process Name	Annual Volume
Target		
ABC # 1	Permanent License Renewals	72,204
CDI # 3	Producer / Adjuster License Renewals	140,000
CDI # 4	Producer / Adjuster License Maintenance	N/A
DCA # 2	License Renewals	835,995

**Figure XIII. Reporting Priority Processes**

REPORTING		
Agency Process	Process Name	Annual Volume
Target		
ABC # 8	Price Posting	48,900
CDI # 5	Action Notices (Appointments and Terminations)	285,000
CDI # 7	Continuing Education Reporting	500,000
CORP # 8	Notice Filing	60,000
DIR # 11	Receipt and Reporting of Workers' Compensation Claims Data Through the WCIS Program	451,692
DMV # 1	DUI Treatment Program Provider	300,000
DMV # 5	Monitor Driver Performance (Employer Pull Notice)	1,500,000
DSS # 5	Unusual Incident Reporting	300,000
DTSC # 2	Verify EPA ID	95,000
SOS # 1	UCC Filings – UCC 1 & UCC 2	354,150
SOS # 11	Statement of Officers	733,002
SWRCB # 3	Storm Water Permit Annual Reporting	19,000
SWRCB # 5	Water Quality Self Monitoring Reports	33,500
Pursue		
Dfeh # 1	Monitor State Contractor Compliance with California Nondiscrimination and Equal Employment Opportunity Laws and Regulations	N/A
DMV # 4	Request DMV Information – Commercial Requester Accounts	42,800,000
DTSC # 8	Manifest Filings	500,000
EDD # 14	Missing Data Notice	120,000
EDD # 2	Independent Contractor Reporting	1,600,000
EDD # 3	New Employee Registration	9,200,000
EDD # 7	Wage Reporting	80,000,000

**Figure XIV. Taxation Priority Processes**

<b>TAXATION</b>		
Agency Process	Process Name	Annual Volume
<b>Target</b>		
BOE # 2	Filings and Payments	3,490,712
BOE # 4	E-Filing	N/A
FTB # 1	Filing Process	6,168,000
FTB # 4	Collections	701,772
<b>Pursue</b>		
CORP # 2	Annual Assessments and Reports	13,019
EDD # 4	Annual Reconciliation	925,000
EDD # 5	Tax Payment (DE 88)	9,700,000
EDD # 6	Employer Billing	1,500,000
FTB # 2	Filing Enforcement	50,000
TTCA # 2	Tourism Assessment Program	10,000

**Figure XV. Information/Customer Service Priority Processes**

<b>INFORMATION / CUSTOMER SERVICE</b>		
Agency Process	Process Name	Annual Volume
<b>Target</b>		
DFEH # 2	Information / Customer Service	112,600
HCD # 11	Formal / Informal Title Search	37,767
HCD # 13	Title Search Log Review	N/A
<b>Pursue</b>		
DIR # 10	Information Request and Assistance for Division of Labor Statistics and Research (DLSR) Reports	100,000
DMV # 3	Occupational License Accountable Inventory Process	9,300,000
DTSC # 7	Information Requests (Information / Customer Service)	16,000
FTB # 10	Tax Forms Distribution	N/A
FTB # 11	Information / Customer Service	857,500
SOS # 2	UCC Filings – UCC 3	121,216

**Figure XVI. Claims and Funding Priority Processes**

CLAIMS		
Agency Process	Process Name	Annual Volume
Target		
HCD # 4	Issuance of Notices of Funding Availability (NOFA) and Requests for Proposals (RFP)	3,140,000
Pursue		
EDD # 10	Disability Voluntary Plan Claim	36,000
EDD # 11	Disability State Plan Claim	690,000
EDD # 12	Treating Physician's Response	690,000
EDD # 13	Employer Notification	690,000
EDD # 15	Unemployment Claims	2,400,000
EDD # 16	Notice of Unemployment Claim Filed	2,400,000
EDD # 17	Notice Response to Notice of Claim Filed	560,000
EDD # 18	Employer Request for Ruling	157,000
EDD # 8	Employer Wage Protest	100,000
EDD # 9	Benefit Audit	1,500,000

The state must encourage the development of new Internet processes, while at the same time creating a process for screening and/or prioritizing those processes so that limited resources can be directed towards building a coherent eBusiness Center portal. Clear priorities can enable efficient resource allocation and optimize the state's full capabilities. Effective prioritization is also critical to speedy product development, customer satisfaction, and long-term value.

## Issues

For the eGovernment to best benefit business customers, the state will need to review a number of issues in the areas of process, technology, policy, and customer issues. Some of the issues discussed in this report include the need to:

- **Process:** develop a common language across agencies to document existing business processes and have an enterprise way to identify business customers or their surrogates.
- **Technology:** address data ownership and confidentiality limitations and understand readiness of existing agency technology infrastructure and requirements to prepare them for the web.
- **Policy:** understand existing requirements for hard copies of documents and notices and review alternatives to the state budget cycle for web technology projects.
- **Business Customer:** solicit continuous business input, establish customer trust in the state's ability to keep information submitted through the portal confidential, provide alternate channels and/or maintain existing channels and human interaction for customers who do not want to use the Internet, have a "no wrong

door” approach so that customers can get services either through the eBusiness Center portal or an agency directly, and address customer expectations of integration across different levels of government and between the portal and agency web sites

### **Next Steps**

The implementation strategy proposed includes visions of both short-term and long-term strategies, based on the goals and critical success factors identified by businesses and state stakeholders. To help the EBO achieve its goal of the eBusiness Center Portal development, there are a number of steps that EBO and agencies can take now.

1. Agencies should complete their eGovernment planning documents, including a proposed eGovernment implementation plan, as mandated by the Governor’s Executive Order D-17-00.
2. Based on these planning documents, agencies should begin to identify pilots for the next fiscal year and secure budget for those pilots through the current year budget change process.
3. Agency workgroup members and executive sponsors should share the results of this study with other stakeholders to spread awareness of the eBusiness Center portal implementation strategy. The EBO should begin to share the results of this study with other agency stakeholders and state leadership to build stakeholder support for moving forward with the portal development.
4. The EBO should continue to expand on existing and planned pilot development, ensuring that the pilots are aware of and are being developed with the long-term strategy of building blocks and shared portal applications in mind.
5. The EBO should review and incorporate the final results from the UCLA Needs Assessment Study into the strategy to ensure businesses’ requirements are being met.
6. The EBO should review and combine the portal design recommendations from Deloitte Consulting with the strategy to form a comprehensive implementation plan that addresses process, technology, and project management aspects of the project.

### **Conclusion**

Businesses are growing more interested in accessing state services through the Internet. The agencies involved in this study have developed great insight into what processes are the best candidates to provide services for businesses. The confluence of these factors makes this an opportune time for the state to move forward in building the infrastructure to create a statewide enterprise portal that provides services customers want. Agencies should consider the information provided through this study as a starting point for their eGovernment planning to bring these services to customers in a rational and ordered manner.

## 1. Project Background

### 1.1. Introduction

Businesses operating in California must interact with state government agencies<sup>1</sup> to establish their businesses legally, obtain necessary permits and licenses, meet various reporting requirements, and pay several forms of tax. From the businesses' perspective, this means navigating a maze of bureaucratic red tape to identify *which* agencies need *what* information and *in what order* to accomplish basic tasks – all of which takes time and resources away from their principal objective, running successful businesses.

The eBusiness Center is one of a number of California eGovernment initiatives to encourage online access as an alternative channel to government information and services. The Department of General Services' Enterprise Business Office (EBO) is charged with the development of the eBusiness Center portal – a one-stop Internet eBusiness Center portal where California businesses can easily obtain government information, access government services, and conduct government transactions – with careful consideration of the needs and wants of businesses operating in California. The eBusiness Center portal is part of the state's enterprise portal and focuses on serving businesses that operate in the state of California.

A truly successful eBusiness Center portal will include both horizontal integration of services across state agencies and vertical integration of services at the federal and local levels. As a first step toward that ultimate goal, the EBO is focusing on the horizontal integration of state-level government-to-business (G2B) transactions into the portal. To facilitate that effort, the EBO contracted with PricewaterhouseCoopers LLP (PwC) to conduct a business process review of government-to-business (G2B) transactions in 20 state agencies that provide critical services to businesses, as identified by the EBO. The goal of this study is to identify those G2B transactions that are the best candidates for the initial development and ongoing expansion of the eBusiness Center portal. The findings of this report are focused only on G2B transactions for the eBusiness Center portal. Each agency should examine its priorities for IT planning and development of online services in the larger context of its transactions with all customers.

In addition to the Business Process Review, the EBO is conducting two other projects to develop a long-term vision, strategy, and plan for the portal. The EBO

**In California, the growth and prosperity of our economy is tied to our ability to make electronic commerce run as smoothly and efficiently as possible. State government should take every opportunity to use information technology to make state services and programs more accessible and hassle-free.**

– Governor Gray Davis  
Press Release  
September 21, 2000

<sup>1</sup> The generic term "agency" refers to state agencies, departments, boards, and other constitutional state offices.

contracted with the University of California Los Angeles (UCLA) to conduct a concurrent study of businesses' needs and demand for government services through an Internet eBusiness Center portal. The UCLA study is a statistically valid telephone survey of businesses of all sizes across a wide range of industries. This report references some preliminary findings from the UCLA study. The EBO has also contracted with Deloitte Consulting to address the technical design for the portal. As a part of the strategy in this report, PwC presents some basic high-level technology considerations for the EBO, but does not recommend specific technology solutions. The EBO will need to combine the final results of the UCLA study and the Deloitte technical design with the conclusions and implementation strategy presented in this report to formulate final short-term and long-term strategies for development of the eBusiness Center portal.

The 20 participating agencies may wish to use the results of the Business Process Review as a starting point for developing their own eGovernment implementation plan to meet the requirements of the Governor's Executive Order D-17-00.<sup>2</sup>

## 1.2. Project Approach

The Business Process Review was a four-month study across 20 agencies to identify and prioritize G2B processes for inclusion in the eBusiness Center portal. The activities that led to this report were as follows:

**Figure 1. Participating Agencies**

ABC	Department of Alcoholic Beverage Control
BOE	Board of Equalization
CDI	California Department of Insurance
CIWMB	California Integrated Waste Management Board
CORP	Department of Corporations
DCA	Department of Consumer Affairs
DFEH	Department of Fair Employment and Housing
DFI	Department of Financial Institutions
DGS	Department of General Services
DIR	Department of Industrial Relations
DMV	Department of Motor Vehicles
DOT	Department of Transportation (Caltrans)
DSS	Department of Social Services
DTSC	Department of Toxic Substances Control
EDD	Employment Development Department
FTB	Franchise Tax Board
HCD	Department of Housing and Community Development
SOS	Secretary of State
SWRCB	State Water Resources Control Board
TTCA	Technology, Trade, and Commerce Agency

**PwC would like to thank the agencies participating in the Business Process Review for their enthusiasm and dedication to the project.**

<sup>2</sup> The Executive Order states, "State agencies and departments shall submit a proposed eGovernment implementation plan to the Department of Information Technology and Director of eGovernment. These plans shall include a description of the most widely used services at each agency's departments, identify those best suited for electronic delivery, identify the population served by these services, and include a description of current or planned systems to measure the level of customer satisfaction with the identified services."

**Business Process Review Kick-off Meeting** (September 27, 2000) – To obtain executive buy-in/ sponsorship from the 20 state agencies, the EBO held a kick-off meeting with executive sponsors from the 20 agencies. The kick-off meeting provided an overview of the eBusiness Center project and asked the sponsors to identify the proper resources from each agency to participate in the workgroup.

**Workgroup Kickoff Meeting** (November 2, 2000) – The EBO coordinated the formation of a workgroup consisting of a representative from each of the participating agencies. At the workgroup kick-off meeting, the EBO presented an overview of the project and PwC explained the tasks involved and set expectations of the workgroup members, such as forming internal working groups within their agencies to facilitate data gathering efforts and coordinating focus group sessions.

**Historical Data Collection** (November 2000) – PwC asked each of the participating agencies to provide information about its vision, mission, and any existing information on its G2B transactions. Some state agencies were able to provide process maps from previous business process reengineering or similar efforts.

**Agency Survey** (November 2000) – PwC developed and conducted a survey of the participating agencies. PwC asked the agencies to list all their G2B transactions and to select those they felt would be the best candidates for the eBusiness Center portal. The survey solicited detailed information on the selected processes including information related to industry segments served, the business drivers for the transactions, signature requirements, supporting systems, volumes, and dependencies on other government agencies. The survey also included a self-assessment of the agency's Internet readiness adapted for government from PwC's proprietary e-business maturity model, *emm*®.

**Agency Focus Groups** (December 2000) – PwC conducted focus group sessions with each participating agency to better understand current business processes. The goals of the focus groups were to confirm PwC's understanding of G2B processes identified as candidates for the eBusiness Center portal, prioritize those processes, and map the best candidates in activity diagrams<sup>3</sup>. In creating the activity diagrams, the participants focused on the interaction between businesses and the agency, and interfaces with supporting systems. PwC also noted opportunities to improve existing processes. The results of the Agency Focus Groups are documented in Appendices A through T.

**Business Focus Group** (January 18, 2001) – The EBO invited representatives primarily from the Small Business Councils of the Department of General Services and Caltrans to participate in a one-day focus group on businesses' needs. PwC facilitated the group through a series of activities to learn about the

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<sup>3</sup> Activity diagrams are one component of object-oriented systems development that depict activities, entities and persons or roles in a process, using Unified Modeling Language (UML). The EBO requested that PwC map processes using UML to facilitate the future systems development for the eBusiness Center portal.

businesses' perspectives on interacting with the state. The results of the Business Focus Group are documented in Appendix W.

**Process Analysis** (December 2000 and January 2001) – PwC examined the results of the agency focus group sessions for commonalities among the G2B processes to devise a framework for holding cross-agency focus groups. The original intent was to examine the data by industry segment and determine what agencies should participate in focus groups for particular industries. PwC's analysis, discussed more thoroughly in Section 3, revealed that most state agencies do not track transactions by industry. When PwC examined the functions a business must perform to open and operate in California, a framework for the business lifecycle as it deals with government emerged. Nearly all of the G2B processes aligned with this framework.

**Cross-agency Focus Groups** (January 2001) – Using the business lifecycle framework, PwC held five cross-agency focus groups for the most common lifecycle phases: initial set up, initial licenses/permits/certifications/registration, license/permit/certification/registration renewals, reporting, and taxation. The cross-agency focus groups developed business models for each lifecycle phase. The focus groups also considered what forces are driving the success of the eBusiness Center portal and what challenges remain to be addressed. The activity diagrams for the lifecycle phases are documented in Appendix V.

**Process Prioritization** (January and February 2001) – PwC used an analytical framework that examined the criticality, or the benefit to businesses, and the feasibility, or the ease of implementation, to prioritize G2B business processes across the 20 participating agencies. This framework and resulting prioritization is described in greater detail in Section 4.

**Implementation Strategy Development** (February 2001) – PwC considered the inputs of the agency and business focus groups, met with the executive sponsors to better understand the state's goals, examined industry and government best practices, and used current experience in systems and web development to suggest critical success factors and a high-level implementation strategy for the project.

### ***1.3. Limitations of the Business Process Review***

The results of the Business Process Review are subject to several limitations because of the short timeframe and limited scope of the project.

**Objectivity** – The goal of the Business Process Review is to provide an objective analysis of G2B processes across a given number of state agencies. This study does not attempt to justify a pre-existing strategy for moving forward with the eBusiness Center portal. Rather, PwC anticipates that the EBO will combine the results of the Business Process Review with concurrent efforts to assess businesses' needs, and articulate a strategy for the eBusiness Center portal development.



**Participating State Agencies** – The 20 state agencies participating in the Business Process Review represent a cross-section of California State agencies, including large and small agencies. California State government has over 100 state agencies. PwC has made no attempt through this study to examine if there are other state agencies whose G2B business processes should be included in the eBusiness Center portal or if the processes reviewed were representative of other non-included agency processes. Additionally, the agencies were asked to select processes to review and may not have presented *all* G2B processes within their agencies.

**Validity of Agency Data** – Agency workgroup members are responsible for insuring the accuracy of the data provided to PwC for the Business Process Review. The short timeframe for the Business Process Review required that the agencies' survey responses and the activity diagrams and descriptions developed during the focus groups were not independently validated. Each agency has reviewed and approved the factual information in agency write-ups included in Volume 2 – Appendices A through T. This factual information is the basis for all subsequent analysis.

**Transactional Processes** – PwC considered only G2B transactions for the Business Process Review. The study did not capture interactions such as rulemaking and public comment that take place over a longer course of time. None of the agencies included in the study identified notice of regulations or receipt of comments on pending regulations as a G2B business process. Nevertheless, the preliminary results of the UCLA business needs assessment suggested that information about regulation and laws is something that businesses would be interested in having online.

**Business Focus** – PwC believes that a customer-centric strategy for development of the eBusiness Center portal is essential. Throughout the Business Process Review, PwC tried to incorporate the business perspective to the extent possible given the limited information available. Nevertheless, the EBO will need to reconcile the findings of this study with the final results of the business needs assessment conducted by UCLA available in mid-March 2001.

**Procurement Processes** - PwC's work with the agencies identified a small number of government procurement processes forming core processes for only two agencies. Procurement is a reversal of the customer-supplier relationship identified in the other G2B processes being considered for the portal. In the other processes, the government is the supplier and the businesses the customers. In procurement, the government becomes the customer and the businesses the suppliers. Procurement processes also have different information requirements from the other G2B processes. Because of these fundamental differences, the EBO should address procurement processes separately from the other G2B processes. Appendix U presents a comprehensive list of all processes reviewed including procurement processes, but procurement processes are not addressed elsewhere in this report.

#### ***1.4. Organization of the Report***

This report presents findings from the Business Process Review.

**Section 2 – Business Perspective:** This section documents the business perspective based on the PwC-led business focus group, secondary research, and the UCLA Business Needs Assessment Survey. The business perspective is the key driving force behind the eBusiness Center portal implementation strategy.

**Section 3 – Business Process Review Findings:** This section outlines the findings from the business process review. It describes the business lifecycle analytical approach used to frame the key tasks in the implementation plan and presents data about all of the processes identified. Section 3 summarizes the findings about agency Internet readiness. Based on these data, this section also highlights process improvement opportunities.

**Section 4 – Implementation Strategy:** This section lays out the implementation strategy for the short term and long term for the eBusiness Center portal development including critical success factors for the eBusiness Center portal and a process prioritization framework.

**Section 5 – Issues:** This section highlights potential issues that EBO should start to address in areas such as technology, policy, and budget. These challenges were culled from both business and agencies.

**Section 6 – Next Steps:** This section presents a number of measures the EBO can take to continue to develop the eBusiness Center portal.

## 2. Business Perspective

To meet the state's goal to create a customer-centric portal, PwC proposed that the EBO include business focus groups as part of the Business Process Review. Although statistically significant data about business needs are being collected elsewhere, PwC sought qualitative input from businesses to develop the implementation strategy. This section describes the results of the business focus group and limited supplemental research available on G2B interactions. Additionally, PwC was given access to preliminary data from the EBO E-Government Needs Assessment Survey, conducted by the UCLA Survey Research Center. Preliminary findings from the survey are also included in this section.

### 2.1. Business Focus Group

The EBO developed a list of invitees comprising businesses operating in California to participate in a focus group conducted on January 18, 2001. This list included participants from Small Business Councils representing various industries including food services, agriculture/farming, engineering and construction, business services, telecommunications, and health care. Telephone interviews were conducted with interested businesses unable to attend due to scheduling conflicts. Appendix W presents the complete findings of the focus group and interviews.

The focus group and interviews asked businesses about challenges, potential solutions, and barriers to opening and operating in the State of California. These results provide an excellent beginning for the state to consider the business' perspective in creating a successful eBusiness Center portal.

**Figure 2** summarizes the challenges and solutions that the business focus group identified for each discussion area. Because several of the businesses in the focus group are vendors to the state, the group also discussed challenges and solutions for vendors in doing business with the state.

**Figure 2. Focus Group Identified Business Challenges and Solutions**

DISCUSSION AREA	CHALLENGES	SOLUTIONS
Opening a Business	<ul style="list-style-type: none"> <li>▪ Feel "confused" and "frustrated" when starting a business.</li> <li>▪ Information on how to open a business not standardized, and not readily available either within the state or local levels.</li> <li>▪ No single place to get a straight answer about what to do.</li> <li>▪ Abundance of state and</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enhanced customer service.</li> <li>▪ Well-organized reference documents.</li> <li>▪ Access to resources to put a business plan together.</li> <li>▪ 24/7 support and better education of how to open a business.</li> </ul>

DISCUSSION AREA	CHALLENGES	SOLUTIONS
	local regulations is unclear to businesses.	
Operating a Business	<ul style="list-style-type: none"> <li>Receive inaccurate or outdated information from the web.</li> <li>Abundance of information is not effectively organized or consolidated.</li> <li>Understanding different state regulations and keeping track of required forms.</li> </ul>	<ul style="list-style-type: none"> <li>Electronic billing and invoicing for applications.</li> <li>Online tutorials and help.</li> <li>Call center/help desk to supplement the online component.</li> <li>Streamlined licensing and renewal processes.</li> <li>Streamlined payment process.</li> <li>Ease of use and navigation.</li> <li>Adequate training for staff to ensure questions are answered accurately and consistently.</li> </ul>
Doing Business with the State	<ul style="list-style-type: none"> <li>Disadvantage for small businesses (versus larger businesses) to do business with the state.</li> <li>No incentives for state agencies to contract with small businesses.</li> <li>Access to procurement opportunities is irregular and unclear to some businesses.</li> <li>Lack of competitive information, which hinders a small business' ability to understand what adjustments are needed to remain competitive.</li> </ul>	<ul style="list-style-type: none"> <li>Provide increased access to information on currently available procurement opportunities.</li> <li>Track and make available on the web participation of small businesses in procurement opportunities.</li> <li>Augment public communications about awards.</li> <li>Standardize procurement information.</li> </ul>

Businesses face many challenges when interacting with the state and desire an array of additional services. Several underlying themes surfaced from these conversations. Businesses are unclear about how to initiate the process of opening a business, expressing frustration over not knowing what steps to take and whom to go to for assistance. Once a business is open, it must meet several requirements such as reporting, license/permit renewals, multiple tax filings, and ever-changing regulations. Again, businesses expressed frustration with the lack of direction from the state. Some businesses also remarked on poor customer service as a reason for their dissatisfaction.

The businesses discussed potential solutions to address these challenges. These solutions require the state to be customer-centric in its approach toward the portal development. The focus group also identified several barriers for businesses in using G2B services on the portal:

- Security – Businesses are concerned with security. The state must take adequate measures to ensure privacy of information communicated through the portal.
- Bandwidth – Businesses expressed the need for the state to develop a portal that would not require large investments in upgrades to their existing Internet connectivity. They suggested that a portal that requires significant bandwidth to be effective would exacerbate the “digital divide” between the technology “haves” and small businesses still connecting to the Internet with 28.8K modems.
- Lack of uniform processes across state agencies – The experience of the businesses in the focus group and those interviewed was that operating procedures and rules vary greatly among state agencies. They stated the need for the state to focus on ease of use of the portal and standardization of information and processes.
- Customer service – Although generally enthusiastic about the portal and potential improvements to interacting with the state through the Internet, the businesses expressed the need for quality customer service and human interaction. Suggestions to address the need for quality customer service included online navigation help and a customer service call center.
- Awareness – Businesses cited the need to promote the eBusiness Center portal and suggested that the state adopt a marketing strategy to make California businesses aware of the portal and its capabilities.

Overall, the business focus group participants were very excited to learn about the state’s plans to develop a “one-stop” shop for business to interact with state government. Participants wanted to be informed throughout the development process of the state’s plans, milestones, and expected rollout dates for services on the web. Also, participants expressed the desire to have the portal integrate vertically with local and federal government services so that it could truly be the one place businesses could go to interact with the government.

## **2.2. eGovernment Benchmarks and Benefits**

To supplement the findings from the business focus group and interviews, PwC conducted secondary research on business’ demand for government services on the Internet. Most existing studies on e-government from the customer’s perspective combine citizens’ and businesses’ views, and it is therefore difficult to distinguish how businesses’ needs may differ from the general public. PwC examined what other states are currently doing for their businesses and the benefits that accrue to government from implementing eGovernment solutions.

State governments are beginning to focus more and more on G2B services, but the depth of services extends primarily to static brochureware (e.g., information sharing), rather than interactive transactional services. The Center for Digital Government compiled data between January 2000 and January 2001 on the

level of G2B activity within all 50 states. Their results are shown in **Figure 3** and **Figure 4**<sup>4</sup>:

**Figure 3. Static Brochureware - Information Search**

G2B SERVICE	FINDINGS
Business License Lookup	Twenty state governments allow businesses to look up business licenses online. Three states provide businesses with listings. Approximately one-third of state governments do not have online channels for this service.
Professional License Lookup	Twenty state governments allow business to look up professional licenses online. Over a quarter allow for the look up of some fields. Over a third do not provide an online channel.
Uniform Commercial Code (UCC) Filing Search	Twenty state governments allow for online search of UCC filings. Over half of the states do not provide businesses with an online channel for UCC search and filing.

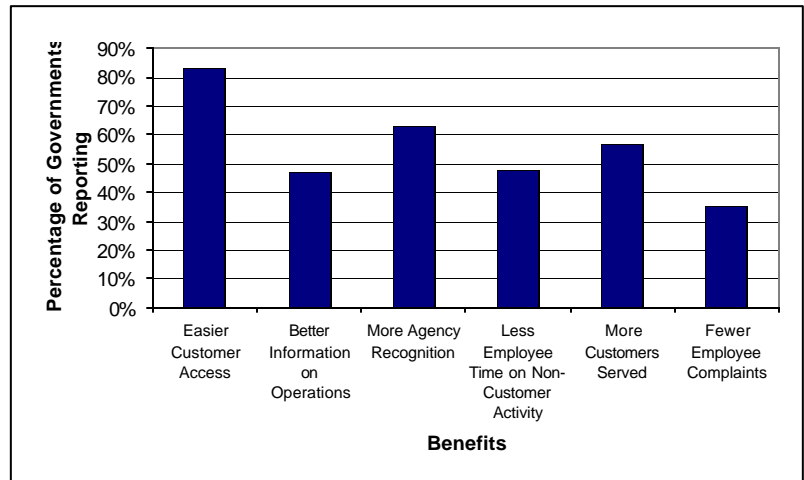
**Figure 4. Interactive Transactional G2B Services - Online Transactions**

G2B SERVICE	FINDINGS
Business Licensing	Four states provide the ability to obtain a business license online. These states are Georgia, Kentucky, Massachusetts, and Montana. The majority of states do not have online licensing capabilities.
Business Registration	Only eight state governments allow for online business registration. Over three-quarters of the states do not offer an online channel for business registration.
Online Business Permits	Seven state governments allow some form of online permitting. These are primarily environmental, sales, building and electrical permits. The other 43 states do not offer this channel online.
Professional License Renewal	Fourteen state governments allow for some sort of online renewal of professional licenses. Approximately three-quarters of the state governments do not provide an online channel for professional license renewal.
Business Tax Filing	Fifteen state governments allow for some type of online business tax filing. Thirty-five states do not have an online channel for business tax filing. Only three state governments allow businesses to actually file UCC documents online.

<sup>4</sup> Center for Digital Government, 1999/2000 Digital State Survey.

As state governments begin to increase their online service offerings, both customers and the government agencies will reap real benefits. The bottom-line benefits of a customer-centric approach are compelling. A study of 250 government organizations indicates customer-centric governments achieve greater success in the several areas as shown in the **Figure 5**.

**Figure 5. Benefits from Customer-centric eGovernment**



Source: Deloitte Research, 2000

## 2.3. UCLA Business Needs Assessment Preliminary Results

The EBO hired the Survey Research Center at the University of California – Los Angeles to conduct a telephone survey of 1,000 businesses in California stratified by the 10 major SIC classifications and business size. The goal of the survey was to yield statistically significant data about business customers' use of the Internet and demand for services over the Internet. The EBO provided PwC with preliminary data from 846 completed surveys. A selection of results are presented here.

### 2.3.1. Contact Channel Usage

The survey asked customers what method they currently use to obtain G2B services from the state. **Figure 6** provides a summary of the contact channels business use. The results show that many businesses are using channels that do not require human interaction. These businesses may be candidates for migrating to the portal.

**Figure 6. Channel Used by Business Customers Today<sup>5</sup>**

CHANNEL	PERCENT OF RESPONDENTS
Indirect Contact Channels	
Mail	73%
Internet	10%
Fax	6%

<sup>5</sup> Respondents to the survey were allowed to answer yes to more than one selection through the business needs assessments. Percentages do not total 100.

CHANNEL	PERCENT OF RESPONDENTS
E-Mail	4%
Live Contact Channels	
Telephone	25%
In-person	14%
Other	
Little or no interaction with state	7%

### 2.3.2. Most Commonly Requested Transaction

**Figure 7** provides a summary of the most common type of transaction requested by businesses. The most common request was for static information such as regulations and business forms. This was followed by application or renewal of permits, licenses, certifications, and registrations. Fifty percent of businesses surveyed were interested in filing taxes online. These existing businesses were less concerned about functionality to help start a new business. This information was consistent with PwC's findings and agencies' perspectives except for the lack of those interested in transactions associated with opening a new business. However, this may be because those surveyed are already operating a business.

**Figure 7. Transactions Requested by Business Customers**

TYPE OF TRANSACTION	PERCENT OF RESPONDENTS
Obtaining regulations, codes, laws	76%
Obtaining business forms	74%
Applying for or renewing business permits	69%
Applying for or renewing registrations	68%
Applying for or renewing professional licenses	66%
Applying for or renewing certifications	63%
Initiating change of business address	62%
Filing business taxes	50%
Renewing commercial drivers' licenses	44%
Employment recruitment	40%
Submitting bids on line	33%
Starting a new business	32%

### 2.3.3. Advantages of Internet Provided G2B Services

Businesses then were asked to identify the advantages of having state government services available through the Internet. **Figure 8** provides a summary of the advantages identified by businesses. Three of the top five advantages are related to saving time for the business.



**Figure 8. Advantages of Online Services to Businesses**

ADVANTAGE	PERCENT OF RESPONDENTS
Faster/saves time	51%
No waiting/ holding on phone	28%
Better access, can look for self	22%
No waiting in lines/ going to office	22%
Better/more information	16%
24 hour access	15%
Can conduct business from home/work/other	11%
Reduces paperwork/staff time	9%
Cost effective	9%
More accuracy/ get what want	7%
More reliable than other methods	6%

#### 2.3.4. Motivation to Use Internet G2B Services

Finally, the survey asked businesses what the government would need to do to increase their businesses' use of online government services. The top five reasons mentioned by customers are shown in **Figure 9**.

**Figure 9. Top Five Actions to Encourage Businesses to Use State Online Services**

ACTION	PERCENT OF RESPONDENTS
Increase awareness of availability	36.5%
Make site easy to use/instructions	24%
Put more services online	15%
Make it more secure	10%
Provide timely/accurate/complete information	9.3%

## 2.4. Conclusion

Businesses in California are demanding that government provide services equivalent to those offered in the private sector. They want useful and factual information oriented to the business community. Additionally, businesses do not distinguish between local, state, and federal governments but view them as the "government." They want to receive services in an accessible, convenient, and user-friendly environment.

Businesses see significant benefits from online services. However, businesses in both the survey and focus group identify the lack of awareness of the portal development and services as a major hurdle for businesses to increase use of

the Internet channel. Additionally, businesses identified the need for instruction and help desk support as critical to the success of the portal.

The portal can help make the California government more conducive for businesses in the new economy and make California a better place to start and operate a business. Additionally, the portal can improve business perception of the responsiveness of government by making services available more quickly and via self-service. For the businesses, this means increased efficiencies and reduced costs for doing business with California by reducing bureaucracy, paperwork, and the costs (in time and money) of information storage and retrieval. Finally, the portal can help California businesses overcome geographical barriers and inequities by providing services to all businesses within the state regardless of their size or location.

The eBusiness Center portal will be an additional channel for businesses to access state services. The state has a tremendous opportunity to migrate businesses from other channels to the Internet if it effectively meets businesses' needs.

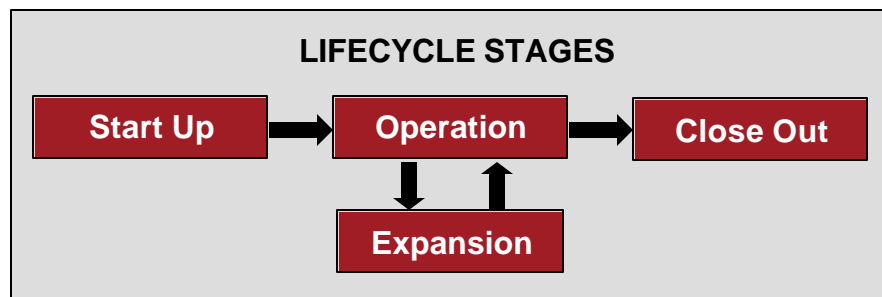
### 3. Business Process Review Findings

#### 3.1. Business Lifecycle for Government Interaction

In 20 agency focus groups, PwC mapped 178 processes. The original intent of the Business Process Review was to analyze those processes by looking at the industries served using Standard Industrial Classification (SIC) codes and formulate business models for each industry group. However, the survey responses revealed that most state agencies do not collect this type of information on the businesses they serve. Most California businesses deal with a core set of state agencies – EDD, FTB, BOE and SOS – and two or three other state agencies that regulate their particular industry.

PwC's analysis revealed that almost all G2B transactions identified as candidates for the eBusiness Center portal could be categorized into a Lifecycle Model (**Figure 10**) of G2B interactions. Businesses must interact with government throughout their existence, and the types of interaction can be broadly grouped into four Stages: Start Up, Operation, Expansion, and Close Out.

**Figure 10. Lifecycle Model for Government Interaction**



Within each stage, a business conducts a number of activities with the government. PwC reviewed the 178 agency processes and found similarities between the activities conducted by different industries at different stages. PwC grouped these similar processes into Lifecycle Phases. We used Lifecycle Phases for two reasons:

- The Lifecycle Phases will help the state understand how the eBusiness Center portal can develop software applications to be shared by many departments. The goal of developing shared common applications is a best practice for developing large-scale information systems.
- The Lifecycle Phases will help the state to design an “intentions-based” user interface, where the customer does not need to know which agency provides a service, but rather needs only know what he/she “intends” to do on the eBusiness Center portal.

The Lifecycle Phases are: Initial Set Up, Licensing, Renewals, Reporting, Taxation, Information/Customer Service, and Claims and Funding. They fall into the Lifecycle Stages as shown in **Figure 11**.

**Figure 11. Lifecycle Phases**

LIFECYCLE PHASE	STAGES			
	START UP	OPERATION	EXPANSION	CLOSE OUT
Initial Set Up	✓		✓	✓
Licensing	✓		✓	
Renewals		✓		
Reporting	✓	✓	✓	✓
Taxation		✓	✓	✓
Information/Customer Service	✓	✓	✓	✓
Claims and Funding		✓		

Appendix U lists all 178 processes mapped in this study. The list is not exhaustive of all G2B processes of the 20 participating agencies. PwC asked each agency to list all its G2B processes and select those they considered to be the best candidates for inclusion in the eBusiness Center portal. PwC asked participants to consider criteria such as annual volumes, process complexity, and potential value to businesses in making selections. The next several subsections are descriptions of each Lifecycle Phase and lists of processes belonging to each phase.

### 3.1.1. Initial Set Up

Initial Set Up refers to the processes that a business must complete with the state to establish itself as a business that is allowed to operate in California. This phase includes four agencies – EDD, FTB, BOE and SOS – but does not include licensing or registration specific to a business industry. The largest volume of Initial Set Up processes occur in the Start Up stage. In most cases, agencies require a business to have completed the Initial Set Up before moving to another lifecycle phase.

Once established, a business may choose to change its form of organization (e.g., partnership to corporation) as part of the Expansion stage. A business may also shut down. Processes similar to Initial Set Up occur when a business shuts down. Thus, we have included Initial Set Up in the Close Out stage as well. **Figure 12** lists the processes that fall under Initial Set Up.

Figure 12. G2B Processes Reviewed – Initial Set Up

INITIAL SET UP		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
BOE # 1	<b>Taxpayer Registration</b> – Business entities consult with BOE to determine their need to register with BOE as a result of conducting business within the state. Businesses submit information for registration of their various taxable activities that are covered by BOE administered tax programs.	260,238
BOE # 3	<b>Online Registration</b> – As an alternative to its normal registration process, BOE is currently developing a process to provide taxpayers with the ability to register online in real-time.	N/A
BOE # 5	<b>Closeout</b> – As businesses terminate their operations, they are required to ensure that their accounts with BOE are properly settled and closed.	200,000
BOE # 6	<b>Alcoholic Beverage Import/Export/Manufacture Tax Registration</b> – Those businesses engaged in the import, export or manufacture of alcohol, may be required to pay taxes to BOE for their activities, under one or more of the special tax programs. For the appropriate license to be obtained from ABC, the business must also register to pay taxes to BOE.	800
EDD # 1	<b>Employer Registration</b> – Under state law, employers are required to register with EDD to pay employment taxes and provide for the administration of other programs.	127,000
FTB # 5	<b>Dissolution/Cancellation Process</b> – Entities that are terminating business in the state may request the formal dissolution or cancellation of their business' registration with the state.	19,000
FTB # 6	<b>Suspension Process</b> – FTB may request the Secretary of State to suspend or forfeit the corporate rights, powers, and privileges of entities that remain out of compliance with state tax laws.	50,185
FTB # 7	<b>Revivor Process</b> – Entities that have been suspended or forfeited may request to be revived to good standing.	4,414
SOS # 3	<b>Corporations Filings</b> – The Secretary of State serves as a non-regulatory custodian of corporate records filed with the State of California. The Secretary of State is responsible for examining, processing, filing and maintaining documents related to the existence and structure of California domestic corporations and foreign (out of state or country) corporations qualified to transact business in California.	180,000

INITIAL SET UP		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
SOS # 4	<b>LLC/LP Filings</b> – In order to form a limited liability company or a limited partnership, a business must execute and file articles of organization with, and on a form prescribed by, the Secretary of State. The person(s) who execute and file the articles of organization may, but need not, be members of the limited liability company. The existence of a limited liability company begins upon the filing of the articles of organization.	37,229
SOS # 5	<b>LLP/General Partnership Filing</b> - To become a registered limited liability partnership, a partnership (other than a limited partnership) must file a registration, executed by one or more partners authorized to execute a registration, with the Secretary of State.	299,373

### 3.1.2. Licensing

Licensing refers to application and payment for **licenses, permits, certifications, and registrations** with a specific agency. The level of complexity varies from the simplest registrations with no required approvals or payment to the most difficult licensing and permitting processes with payment, examinations, criminal background check, and inspections. Throughout this report “Licensing” refers to licenses, permits, certifications, and registrations that are industry or profession-specific. Licensing processes occur in the Start Up stage for initial licensing and in the Expansion stage for additional licensing required because of business expansion, such as for a new location. **Figure 13** lists the processes that fall under Licensing.

**Figure 13. G2B Processes Reviewed – Licensing**

LICENSING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
ABC # 2	<b>Original Permanent License Applications</b> – The state has the exclusive right and power to license businesses dealing in alcoholic beverages (State Constitution Article XX, Section 22 and B & P Code Chapter 1.5). The business applies for a license for a specific owner and location.	5,000
ABC # 5	<b>Daily On-sale General License</b> – ABC requires non-profit organizations to get this license for special events where alcoholic beverages will be sold (Section 24045.1 B & P Code). In addition, ABC issues this license for specific fund raising events for qualified non-profit enterprises.	9,750

LICENSING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
ABC # 6	<b>Temporary Beer and Wine License</b> –Non-profit organizations request this license for special events where beer and/or wine will be sold (Rule 59 CCR and Section 24045 B & P Code).	13,848
ABC # 7	<b>Catering Authorizations</b> – ABC requires a permanent licensee that caters alcoholic beverages at a qualified event away from its licensed location to get this authorization (Section 2339 B & P Code).	15,707
CDI # 1	<b>Carrier License Applications</b> – Companies that indemnify another against loss, including stock insurers, mutual fire insurers, and reciprocal insurance exchanges are required to obtain a Certificate of Authority from CDI.	100
CDI # 2	<b>Producer/Adjuster License Applications</b> – Individuals transacting all classes of insurance on behalf of an insurer and individuals adjusting claims in connection with a policy of insurance must obtain a license from CDI.	50,000
CDI # 6	<b>Continuing Education Course Approval</b> – Providers of continuing education (CE) for insurance producers/adjusters must obtain annual approval of all CE courses from CDI.	4,800
CIWMB # 1	<b>Certification of Used and Waste Tire Haulers</b> – The objective of this program is to regulate waste tire haulers who haul 10 or more used or waste tires. The Board identifies and registers waste tire haulers, certifies their compliance with state law and regulation, provides them certificates of registration and decals for each of the vehicles listed in the application, ensures appropriate fiscal responsibility through bonding, provides ongoing enforcement information to the CHP, and ensures appropriate identification of registered haulers. All registrations expire at the end of each calendar year. Board staff mails renewal applications during the last quarter and haulers must return the renewal applications prior to the expiration date of December 31.	810
CORP # 1	<b>Licensing</b> –California law requires a license for all businesses operating as Independent Escrow Companies (ESC), Mortgage Bankers (MB) or California Finance Lenders (CFL).	12,312
CORP # 3	<b>Escrow Manager Applications</b> – California Escrow law requires an approved manager for every licensed location. Approval requires verification of specific information.	6,058

LICENSING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
CORP # 4	<b>Background Checks</b> – California law requires Escrow officers, owners, employees, and directors have their backgrounds checked for any criminal and/or civil records. The law also requires corporate officers, directors, stockholders, and principle officers of a Mortgage Banker have background checks for any criminal and civil records.	8,892
CORP # 7	<b>Qualification of Sales of Securities and Franchises, and Amendments</b> – When there is no exemption, California law requires businesses to seek qualification/registration to offer and sell securities or franchises.	46,000
DCA # 1A	<b>Licensure</b> , Bureau for Private Postsecondary and Vocational Education (BPPVE) – Issuance of various licenses for businesses to perform specific functions for California consumers that are regulated under the Business and Professions Code.	5,028
DCA # 1B	<b>Licensure</b> , Bureau of Automotive Repair (BAR) – Issuance of various licenses for businesses to perform specific functions for California consumers that are regulated under the Business and Professions Code.	15,825
DCA # 1C	<b>Licensure</b> , Bureau of Barbering and Cosmetology (BBC) – Issuance of various licenses for businesses to perform specific functions for California consumers that are regulated under the Business and Professions Code.	14,119
DCA # 1D	<b>Licensure</b> , Bureau of Electronic and Appliance Repair (BEAR) – Issuance of various licenses for businesses to perform specific functions for California consumers that are regulated under the Business and Professions Code.	1,377
DCA # 1E	<b>Licensure</b> , Bureau of Home Furnishings and Thermal Insulation (BHFTI) – Issuance of various licenses for businesses to perform specific functions for California consumers that are regulated under the Business and Professions Code.	3,370
DCA # 1F	<b>Licensure</b> , Bureau of Security and Investigative Services (BSIS) – Issuance of various licenses for businesses to perform specific functions for California consumers that are regulated under the Business and Professions Code.	54,724
DCA # 1G	<b>Licensure</b> , Cemetery and Funeral Bureau (CFB) – Issuance of various licenses for businesses to perform specific functions for California consumers that are regulated under the Business and Professions Code.	2,545
DCA # 1H	<b>Licensure</b> , Hearing Aid Dispensers Bureau (HAD) – Issuance of various licenses for businesses to perform specific functions for California consumers that are regulated under the Business and Professions Code.	392



LICENSING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
DFI # 2	<b>Transmitters of Money Abroad, New Agents</b> – The department approves businesses and individuals that work as agents for money transmission such as Western Union and MoneyGram.	3,000
DFI # 3	<b>Banks – New Branch Applications/Notifications</b> – Banks must notify the department or receive approval in order to open a new branch.	100
DFI # 4	<b>Banks – Articles/Amendments</b> – Domestic (California) banks and savings associations must receive approval from DFI for original articles of incorporation and subsequent amendments before they are filed with the Secretary of State.	300
DFI # 5	<b>Credit Unions – Field of Membership</b> – An established credit union must receive approval from DFI in order to change the group of members it may serve.	400
DFI # 6	<b>Credit Unions – Name Change</b> – To effect a change of name, an established credit union must receive approval from DFI prior to filing amended articles of incorporation with the Secretary of State.	20
DFI # 7	<b>Non-banking Entities – Name Approvals</b> – Businesses attempting to file articles of incorporation with the Secretary of State or businesses trying to register with the Department of Real Estate may be referred to DFI for name approval if the proposed name suggests that the business could be a financial institution.	80-100
DGS # 1	<b>SB and DVBE Certification</b> – DGS provides certification for Small Businesses (SB) and Disabled Veteran Business Enterprises (DVBE).	24,128
DIR # 1	<b>Garment Manufacturing Registration</b> – Labor Code Section 2675 requires that every person engaged in the business of garment manufacturing be registered with the State Labor Commissioner.	6,564
DIR # 2	<b>Farm Labor Contractor Licensing</b> – Labor Code Section 1682 requires that every person who employs workers in the production of farm products, for a fee, be licensed with the State Labor Commissioner.	1,239
DIR # 3	<b>Talent Agent Licensing</b> – Labor Code Section 1700 requires that every person or corporation that engages in the occupation of procuring employment for an artist or artists must be licensed with the State Labor Commissioner.	585
DIR # 4	<b>Crane Certifier Licensing</b> – Prior to operation, cranes must be certified by a person or entity who is licensed by the Division of Occupational Safety and Health (DOSH) to certify such activities. DOSH's Crane Unit conducts examinations of individuals who wish to be crane certifiers.	200

LICENSING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
DIR # 5	<b>Hazardous Activity Permit and Renewal</b> – Businesses that perform certain hazardous activities are required by California Labor Code to obtain a permit from the Division of Occupational Safety and Health (DOSH). If the business is constantly engaged in certain activities and have shown that they have the knowledge and experience to conduct the activity in a safe manner, then they can apply for an annual permit with the respective district office and renew it annually with the permit unit.	3,000
DIR # 6	<b>Certificate to Self-Insure (Private Entity)</b> – A business must receive a certificate to self-insure for workers' compensation liabilities in lieu of worker's compensation insurance policy through an insurance carrier.	50
DIR # 7	<b>Certificate to Self-Insure (Public Entity)</b> – A business that decides to legally self-insure worker's compensation liabilities in the State of California must get this certificate, as provided by Labor Code Section 3700. This is an alternative to a worker's compensation insurance policy with an insurance carrier.	37
DIR # 8	<b>Third Party Administrator (TPA) Certification &amp; Renewal</b> – A business that wishes to administer worker's compensation claims for self-insured companies must get this certification. Renewal is required to continue administering worker's compensation claims for self-insured companies. The company has the option of renewing for one year, two years, or three years.	99
DIR # 9	<b>Qualified Persons (TPA Employees) Certification</b> – Third party administrators (TPAs) staff must be certified by the Self-Insurance Plans (SIP) Division to administer claims. An examination is required prior to certification.	2,300
DIR # 12	<b>Application and Reapplication to Become a Qualified Medical Examiner</b> – If a physician wants to perform medical-legal evaluations in the State of California as a qualified medical examiner (QME), he/she must be certified by DIR. The Industrial Medical Council is responsible for this transaction. If a physician wants to continue to perform medical-legal evaluations in the State of California as a QME, he/she must reapply every two years.	1,384
DMV # 2	<b>Occupational License</b> – The California Vehicle Code requires any entity that collects a fee to provide services for the following activities to hold an occupational license: driver education and behind the wheel training; traffic violator education; vehicle verifications; vehicle distribution; registration services; automobile dismantling; vehicle manufacturing; vehicle dealers; and transporter services.	37,927

LICENSING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
DMV # 6	<b>Enroll Information Requesters (Commercial Requester Accounts/Employer Pull Notice)</b> – The department enrolls various business entities, including employers for driver performance monitoring, and issues requester codes for the purpose of obtaining information from the department's files. Requesters who have been issued a requester code by the department may request department record information via manual or electronic means.	4,916
DMV # 8	<b>Electronic Lien &amp; Title (ELT)</b> – The ELT process eliminates hardcopy/paper vehicle certificates of ownership for lien holders who choose to participate.	1,200,000
DMV # 9	<b>Motor Carrier Permit (MCP)</b> – The MCP is a permit that commercial operators are required to have to operate a vehicle on a public highway. This transaction includes a request and payment for these renewal permit(s). This activity program is limited to intrastate carriers of property.	56,000
DOT # 1	<b>Encroachment Permit</b> – Businesses must get these permits for the use of California state highways for other than normal transportation purposes.	17,500
DOT # 2	<b>Disadvantaged Business Enterprise Certification</b> – All firms seeking DBE certification must apply through Caltrans or with another agency that has reciprocity with them. A DBE certification allows a business to help meet the prime contractor's DBE goal if a goal is set on a contract.	4,800
DOT # 3	<b>Outdoor Advertising License</b> – Businesses that place, construct, or maintain outdoor advertising must get this license.	259
DOT # 4	<b>Outdoor Advertising Permits</b> – Businesses must secure a Highway Outdoor Advertising Permit prior to the placement of any displays that are regulated by the Outdoor Advertising Act.	466
DOT # 6	<b>New Product Evaluation</b> – A manufacturer or vendor trying to get their new products approved for use on Caltrans construction contracts must have those products reviewed and approved prior to use.	212
DSS # 1	<b>Community Care Licensing</b> – State law states that no firm, partnership, individual or corporation within the state, and no state or local public agency shall operate, establish, manage, conduct, or maintain a community care facility in this state without a valid license. Both family childcare and residential facilities need to be licensed. There are other actors involved in this process including DOJ, credit bureaus, fire marshals, etc. An initial fee is required.	13,452

LICENSING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
DSS # 2	<b>Criminal Background Check</b> – State law establishes, in part, that before issuing a license or special permit to any person or persons wishing to operate or manage a community care facility, DSS shall conduct a criminal background check to determine whether the applicant has been convicted of a crime other than a minor traffic violation. The background check is also needed for all employees of community care facilities.	159,097
DSS # 3	<b>Annual License Fee Payment</b> – The Health and Safety Code requires a licensing fee to be paid by community care facilities to DSS in order to maintain its community care facility license.	6,275
DSS # 4	<b>Administrator Certification</b> – DSS must certify the administrator for every Residential Care Facility for Elderly, Adult Residential Facility, and Group Home facility.	6,500
DSS # 6	<b>Vendor Registration and Instructor Approval</b> – DSS is mandated by law to develop and implement a process for approving vendors who wish to provide training to individuals and/or wish to become a certified administrator.	200
DTSC # 1	<b>Registration EPA ID Issuance</b> – A business is required to have a specific EPA ID number which is both site and business specific. The registration process establishes the primary identity of the owner of waste generated at the site. The number is used in a variety of processes across EPA.	26,000
DTSC # 3	<b>Hauler Registration</b> – DTSC requires a transporter of hazardous waste to be registered with DTSC. Renewals occur yearly.	1,000
DTSC # 5	<b>Technology Certification and Verification</b> – If a business would like to receive independent verification of a new technologies' performance, it can request certification from DTSC. The state certification can have marketing and user confidence impacts.	6
DTSC # 6	<b>Transport Variance</b> – DTSC issues this variance that exempts transporters and generators from specific transportation requirements if certain conditions are met.	480
HCD # 1	<b>Design Approval Agencies and Quality Assurance Agencies/Inspectors Licensing</b> – Under mandate of state law, persons or entities proposing to provide design approval, quality assurance and inspection services to manufacturers of multi-unit manufactured housing, commercial coaches, special purpose commercial coaches and factory-built housing, must successfully complete an application process, and in the case of factory-built housing an examination, demonstrate their ability and qualifications to provide such services.	50

LICENSING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
HCD # 2	<b>Occupational License</b> – Under mandate of state law, dealers, distributors, salespersons, and manufacturers of manufactured home, multi-unit manufactured, and commercial coaches, must be licensed in order to provide purchasers protection and ensure that licensees are qualified to conduct business.	2,022
HCD # 3	<b>Occupational License Examination</b> – State law mandates that applicants for licensing as dealers and salespersons of manufactured homes and commercial coaches successfully pass an examination, demonstrating their knowledge of laws and regulations related to transacting business in the State of California.	811
HCD # 12	<b>Requestor Agent Administration</b> – Entities with established requestor accounts for facilitating title searches online may indicate agents that may carry out that activity on their behalf.	N/A
HCD # 16	<b>Installation of Earthquake Resistant Bracing Systems Permit</b> – refer to item 20 below. (Volumes are combined for HCD #16 through #20.)	9,339
HCD # 17	<b>Installation of Mobilehome and Manufactured Home Accessory Structures Permit</b> – refer to item 20 below. (Volumes are combined for HCD #16 through #20.)	9,339
HCD # 18	<b>Mobilehome Park Construction/Modification Permit</b> – refer to item 20 below. (Volumes are combined for HCD #16 through #20.)	9,339
HCD # 19	<b>Installation of Mobilehome or Manufactured Home Permit</b> – refer to item 20 below. (Volumes are combined for HCD #16 through #20.)	9,339
HCD # 20	<b>Construction Permitting</b> – Current law requires HCD permits and inspections for the building or alteration of mobilehomes or commercial coaches, and for the installation of mobilehomes, commercial coaches, and accessory structures, and for the manufacture or installation of earthquake restraints and similar devices (DHCD #16-19 are included). (Volumes are combined for HCD #16 through #20.)	9,339
SOS # 6	<b>Notary or Public Official Authentication</b> - The Secretary of State administers the Notary Public Section, which, upon request, certifies the authenticity of a signature of a notary public or public official.	87,418
SOS # 7	<b>Notary Commissions Applications</b> – The Secretary of State appoints and commissions notaries public for four-year commissions. The same basic process is followed whether applying for a new commission or for a reappointment.	49,717

LICENSING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
SOS # 9	<b>Lobbyist Registration</b> – The Secretary of State's Political Reform Division (PRD) administers provisions that require the registration of lobbying firms and lobbyist employers that make expenditures to lobby California State government. PRD performs the following activities: Receives lobbying disclosure statements filed by lobbyists, employers of lobbyists, and lobbying firms. Reviews lobbying documents to ensure compliance with reporting requirements. Determines if lobbying documents have been filed on time and impose and collect fines for late filings.	N/A
SWRCB # 1	<b>Storm Water Permits</b> – Businesses are required to obtain a storm water permit from SWRCB. The permit requires a registration form/notice of intent (NOI) and registration fee. The purpose of this transaction is to regulate storm water discharge from industrial and construction storm water dischargers.	15,000
SWRCB # 2	<b>Storm Water Permit Annual Payment</b> – State regulation requires that an annual fee must be paid for continued storm water permit coverage.	10,000
SWRCB # 4	<b>Water Quality Permits</b> – This process regulates discharges from individuals, commercial establishments, industries, utilities, agriculture, or anyone or entity proposing to discharge under state or state/federal authority. Permission to discharge is granted through permits issued for point source discharges to surface waters and land/groundwater. The objective of the program is to protect receiving waters from waste discharges through specific permit authorizations and monitoring requirements.	2,500
SWRCB # 6	<b>Water Quality Annual Payment</b> – Dischargers are required by law to pay an annual fee for the water quality permit.	6,100
SWRCB # 7	<b>Water Rights Permits</b> – This process is for entities that wish to appropriate water from the state. This is an intricate process that requires large volumes of attachments such as engineering maps and pictures. It also requires public involvement and allows for protest hearings for permit approval.	60
TTCA # 1	<b>California Film Commission Permits</b> – Filmmakers who wish to film on State of California property obtain the necessary permit with the assistance of the California Film Commission.	2,000

### 3.1.3. Renewals

Renewals refers to application and payment for renewals of licenses, permits, certifications, and registrations that are part of the Licensing phase. The Renewals phase also includes maintenance processes such as change of address and compliance or enforcement processes such as payment of fines. The Renewals phase occurs in the Operation stage. **Figure 14** lists the processes that fall under Renewals.

**Figure 14. G2B Processes Reviewed – Renewals**

RENEWALS		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
ABC # 1	<b>Permanent License Renewals</b> – All permanent alcoholic beverage licenses must be renewed annually per Section 24048 B & P Code. Businesses must submit request and payment for renewals within 90 days of renewal notice or the license is automatically revoked.	72,204
ABC # 3	<b>Request for Change in Ownership</b> – An applicant may request a change in ownership for an existing permanent license if the license is to be used for the same location.	6,000
CDI # 3	<b>Producer/Adjuster License Renewals</b> – Producer/adjuster licenses are valid for two years from the date of issue and must be renewed biennially.	140,000
CDI # 4	<b>Producer/Adjuster License Maintenance</b> – Licensees must report changes in name, address, and surety bonds to CDI.	N/A
CIWMB # 2	<b>Maintenance of Owner/Operator Information of Solid Waste Facilities</b> – The objective of this process is to keep CIWMB inventory and permit information accurate and up-to-date. This includes the name and address of owners and operators of solid waste facilities.	425
DCA # 2	<b>License Renewals</b> – Renewals of various business licenses required to perform business in the State of California.	835,995
DCA # 3	<b>License Maintenance</b> – To ensure accurate information is on file for services that require licensure under the Business and Professions Code.	N/A
DCA # 4	<b>Citations, Fines, and Fees</b> – In conjunction with license maintenance and renewals, DCA levies fines on businesses who are licensees but not in compliance with rules and regulations or on businesses who are required to have licenses but do not. This process focuses on the business that needs to make payments to DCA.	4,602
HCD # 14	<b>Employee Housing Permit to Operate Renewals</b> – Employers housing five (5) or more employees are required by law to provide safe and sanitary housing meeting minimum standards, and are also subject to annual permitting requirements.	393

RENEWALS		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
HCD # 15	<b>Mobilehome Park Permit to Operate Renewals</b> – Under law, operators of mobilehome and recreational vehicle parks must obtain annual operating permits from HCD.	3,600

### 3.1.4. Reporting

Reporting refers to the provision of information to state agencies or the requesting of information from state agencies. Reporting is generally either time-based (e.g., annually, monthly) or event-driven (e.g., when a ticket has been issued or an inspection has occurred). Reporting may trigger a subsequent process or require a fee payment. The Reporting phase occurs throughout the business lifecycle. In the Start Up and Expansion Stages, reports are generally initial reports to prove business viability. In the Operation Stage, reporting is generally dictated by regulation. In the Close Out Stage, reporting is generally final reports to be able to shut down the business. **Figure 15** lists the processes that fall under Reporting.

**Figure 15. G2B Processes Reviewed – Reporting**

REPORTING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
ABC # 8	<b>Price Posting</b> – Section 25000 B & P Code requires manufacturers, importers, and wholesalers of beer to notify ABC of their schedules of prices for the sale of beer. Schedules break down prices by product and containers.	48,900
CDI # 5	<b>Action Notices (Appointments and Terminations)</b> – Carriers are required to report the appointments and terminations of agents to CDI.	285,000
CDI # 7	<b>Continuing Education Reporting</b> – CE Providers must notify CDI of all successful participants in its CE courses.	500,000
CORP # 6	<b>Bonds</b> – California law requires all licensees to maintain surety bond(s) for the purpose of future unpaid bills generated by this agency and claims made by consumers.	6,774
CORP # 8	<b>Notice Filing</b> – California law has qualification/registration requirements for the offer and sale of securities and franchises. In many instances, a business must submit a notice filing when the business is relying on an exemption from these requirements. Of the 60,000 notice filings filed by individual businesses, an estimated 55,000 are individual filers.	60,000



REPORTING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
DFEH # 1	<b>Monitor State Contractor Compliance with California Nondiscrimination and Equal Employment Opportunity Laws and Regulations</b> – This process encompasses submission of the California Employer Identification Report (CEIR), submission of utilization reports, and submission of non-discrimination programs.	N/A
DFI # 1	<b>Certificate of Good Standing</b> – The department issues a certificate of good standing to licensees (financial institutions) or their representatives upon request and payment of a certification fee.	60
DGS # 2	<b>California State Contracts Register</b> – DGS maintains a listing of upcoming contract opportunities with the state.	7,851
DGS # 3	<b>Retention of Print Businesses</b> – DGS retains on file a list of private print businesses seeking to do work for DGS (on behalf of other state agencies).	1,950
DIR # 11	<b>Receipt and Reporting of Workers' Compensation Claims Data Through the WCIS Program</b> – The Workers' Compensation Information System (WCIS) report of claim data is required by law and regulation. The Labor Code requires the administrative director of the Division of Worker's Compensation (DWC) to develop and administer a workers' compensation information system. Title 8, CCR Sections 9700-9702 require claims administrators to submit claims electronically to DWC.	451,692
DMV # 1	<b>DUI Treatment Program Provider</b> – DUI Treatment Program Providers must submit information on drivers participating in their programs to DMV, which will suspend, revoke, restrict, or reinstate a customer's driving privilege as appropriate.	300,000
DMV # 4	<b>Request DMV Information – Commercial Requester Accounts</b> – DMV provides department record information to various business entities when the information is needed to complete a legitimate business transaction. Examples include, but may not be limited to, insurance companies checking driving history for underwriting, pre-employment/background checks, attorneys for motor vehicle related incidents, and registration services to complete a DMV transaction.	42,800,000
DMV # 5	<b>Monitor Driver Performance (Employer Pull Notice)</b> – The department provides both periodic and activity related driver records to employers enrolled in the Employer Pull Notice (EPN) program in order for employers to monitor driver performance of Commercial Drivers.	1,500,000
DSS # 5	<b>Unusual Incident Reporting</b> – Community care centers must file unusual incident reports with DSS for incidents that occur at their facilities.	300,000

REPORTING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
DTSC # 2	<b>Verify EPA ID</b> – The state verifies critical location and ownership information from hazardous waste generators, transporters, and disposal facilities annually.	95,000
DTSC # 8	<b>Manifest Filings</b> – Businesses that generate hazardous waste and have the waste shipped off site to a disposal facility must use and file a hazardous waste manifest. Receiving facilities must also file a copy with DTSC.	500,000
EDD # 2	<b>Independent Contractor Reporting</b> – Businesses that engage the services of independent contractors are required to report the independent contractor to EDD to assist collection of family support obligations. The process is similar to #3. The volume is estimated because the law requiring this reporting only recently became effective (January 1, 2001).	1,600,000
EDD # 3	<b>New Employee Registration</b> – To assist child support enforcement employers are required to report new employees to EDD.	9,200,000
EDD # 7	<b>Wage Reporting</b> – State law requires that employee wage information be reported to EDD. Employers submit wage data for their employees quarterly, which provides EDD with a recorded history of employee wage payments over time. The volume provided is the number of wage records annually.	80,000,000
EDD # 14	<b>Missing Data Notice</b> – Employers must submit data to meet EDD's processing requirements. EDD prepares and submits statistical information to the Department of Labor Statistics. If the required data is missing or insufficient, EDD generates notices to employers requesting the missing information. As the process obtains data that would have been captured if the proper completion of the DE 6 Wage Report were assured, this process would be addressed through the implementation of item 7, the Wage Reporting process, by requiring completion of the appropriate data items.	120,000

REPORTING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
SOS # 1	<b>UCC Filings – UCC1 &amp; UCC 2–</b> SOS is the central filing office for financing statements and other documents provided for under the Uniform Commercial Code. The purpose of the majority of these filings is to perfect or preserve security interests in named collateral. SOS accepts filings of judgment liens, attachment liens, agricultural liens, and equipment liens, as well as various tax liens submitted by state and federal taxing agencies, such as the Franchise Tax Board and the Internal Revenue Service. <i>A fundamental revision of laws governing the Uniform Commercial Code has recently been enacted in Senate Bill 45. The majority of the changes must be implemented by July 1, 2001, with some elements implemented in January 2002. The diagrams and descriptions here do not reflect the changes necessary for SB 45.</i> (Volumes are combined for SOS #1 and #2.)	354,150
SOS # 8	<b>Lobbying Reports -</b> The Secretary of State's Political Reform Division administers provisions of California's Political Reform Act of 1974, which requires the disclosure of financial activities related to political campaigns and lobbying. This process requires political campaigns and lobbyists to report on their financial activities.	20,000
SOS # 10	<b>Campaign Contribution Reporting -</b> The Secretary of State's Political Reform Division administers provisions that require it to register and issue identification numbers for all state and local campaign committees that raise funds in connection with elections (non-federal) throughout California. The Division also: Receives campaign disclosure statements (itemizing contributions received and expenditures made) filed by individuals and committees raising or spending campaign funds to support or oppose state candidates or ballot measures. Reviews campaign documents to ensure compliance with reporting requirements. Provides public access to all campaign disclosure documents. Publishes campaign financing reports that summarize and analyze the extensive information contained in campaign documents filed with the Political Reform Division. Determines if campaign documents have been filed on time and imposes and collects fines for late filings.	N/A

REPORTING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
SOS # 11	<b>Statement of Officers</b> – The Statement of Officers (SO) unit notifies each corporation of the requirement to file a biennial statement of officers, processes completed statements, and suspends corporations that do not submit their statements.	733,002
SWRCB # 3	<b>Storm Water Permit Annual Reporting</b> – Annual reporting is required for general storm water permits.	19,000
SWRCB # 5	<b>Water Quality Self Monitoring Reports</b> – Dischargers are required to submit results of periodic sampling and analysis of dischargers.	33,500

### 3.1.5. Taxation

Taxation refers to processes where businesses file returns and make payments for state income, sales and use, and employment taxes as well as other premiums and assessments levied by state agencies. The Taxation phase takes place once the business is established and ends with a final reconciliation after a business closes. When a business changes its form of organization (e.g., during expansion), it may be required to file returns and make payments for the business form that is closing. Additionally, the changes a business makes during expansion may change the business' tax status. **Figure 16** lists the processes that fall under Taxation.

**Figure 16. G2B Processes Reviewed – Taxation**

TAXATION		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
BOE # 2	<b>Filings and Payments</b> – Taxpayers submit the necessary information to allow BOE to assess taxes due as well as allow BOE to determine the amounts of tax revenue due to each eligible local government. Taxpayers are also required to pay BOE the amounts due as taxes.	3,490,712
BOE # 4	<b>E-filing</b> – As an alternative to its normal filings and payments process, BOE implemented, in January, 2001, a process to provide taxpayers with the ability to file and pay online via Electronic Returns Originators.	N/A
CDI # 8	<b>Premium Tax Returns</b> – Carriers must file returns annually with CDI for tax payments on insurance premiums collected. (Premiums may be paid quarterly or annually.)	2,500

TAXATION		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
CORP # 2	<b>Annual Assessments and Reports</b> – California law requires all licensees to pay their prorated share of costs to administer the law. A Consolidated Financial Statement and statistical information report must also be prepared for lenders.	13,019
EDD # 4	<b>Annual Reconciliation</b> – To ensure that the proper taxes have been paid, employers submit returns to EDD that provide the necessary accounting details to substantiate the periodic tax payments and wage reports.	925,000
EDD # 5	<b>Tax Payment (DE 88)</b> – Employers in the state are required to pay taxes to EDD. EDD accepts both paper based and electronic payments.	9,700,000
EDD # 6	<b>Employer Billing</b> – As a part of reconciling payments made and forms filed by employers, EDD issues Employer Account Statements to employers to collect outstanding payments and delinquent forms.	1,500,000
FTB # 1	<b>Filing Process</b> - The filing function is one of the three core competencies at Franchise Tax Board (FTB). It is the first step of the tax administration process and is directly related to the audit and collection functions. The filing function, for business entities, involves the processing of business entity tax returns.	6,168,000
FTB # 2	<b>Filing Enforcement</b> – State law requires the filing of a tax return. As part of its efforts to ensure that all potential corporate taxpayers are aware of the need to file returns, FTB attempts to identify new potential taxpayers by comparing information from other sources to its current known filers and then communicating with non-filers to get returns filed.	50,000
FTB # 3	<b>Audit Process</b> - The Audit Branch of FTB is responsible under law for conducting reviews of income tax returns to determine the accuracy of the self-assessed tax liabilities. Audits of business customers are performed on information received from business entity filers. If errors are found, the Audit Branch is responsible for issuing notices of proposed changes and for resolving taxpayer disputes that may arise from any changes that are proposed.	3,896
FTB # 4	<b>Collections</b> – As an adjunct to the filing process, FTB works with its customers to resolve their accounts either by payment or adjustment of taxes due.	701,772
TTCA # 2	<b>Tourism Assessment Program</b> – California businesses that benefit from tourism pay for the state's tourism promotion. The amount that each business pays is based on a self-assessment.	10,000

### 3.1.6. Information/Customer Service

Information/Customer Service includes three levels of information requests: (1) static information on state agency regulation, policies, procedures, and other general information, (2) ad hoc data search and retrieval, and (3) ad hoc information requests and complaints that require analysis and specific answers or resolution. This category also includes distribution of forms and other inventory. The Information/Customer Service phase occurs throughout the business lifecycle. **Figure 17** lists the processes that fall under Information/Customer Service.

**Figure 17. G2B Processes Reviewed – Information/Customer Service**

INFORMATION/CUSTOMER SERVICE		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
ABC # 4	<b>Pre-application Process</b> – Prospective applicants request all necessary forms from ABC to apply for a permanent alcoholic beverage license. ABC provides the application forms and advises the applicant of all required supporting documentation to facilitate the issuance of a license. ABC determines what is required based on the type of licensee and type of license.	6,000
CDI # 9	<b>Request for Rate Filings</b> – The public may request copies of insurance rate schedules filed with CDI.	21,550
CIWMB # 3	<b>Customer Assistance</b> – CIWMB provides consulting, workshops, training, and technical documents to business customers and local enforcement agencies.	1,500
CORP # 5	<b>Complaint Handling and Resolution</b> – Each agency jurisdiction is required to resolve consumer concerns that arise out of dealings with licensees.	22,430
DFEH # 2	<b>Information / Customer Service</b> – Businesses and organizations respond to DFEH-initiated communications such as press releases, invitations to meetings and events, and information posted on the Department's web site. Businesses and organizations also call-in to inquire about DFEH programs.	112,600
DFEH # 3	<b>Public Education and Technical Assistance</b> – Organizations and businesses request training, speakers, and materials related to DFEH operations. Materials include manuals, brochures, publications, posters, etc. DFEH also receives requests for DFEH representation at ceremonial events.	7,618

INFORMATION/CUSTOMER SERVICE		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
DIR # 10	<b>Information Request and Assistance for Division of Labor Statistics and Research (DLSR) Reports</b> – Businesses may request statistics and forms, assistance in recording injuries and illnesses, occupational injuries and illnesses survey, OSHA survey of occupational injuries and illnesses; general prevailing wage information and/or public works requirements, and the California Consumer Price Index.	100,000
DMV # 3	<b>Occupational License Accountable Inventory Process</b> – DMV must issue certain documents to occupational licensees. Document usage is audited. Examples include Report of Vehicle Sale and Completion of Training Certifications.	9,300,000
DMV # 7	<b>Prepare Communication to Industries</b> – The department periodically issues Vehicle Industry Newsletters to financial institutions, vehicle/vessel dealers, registration services, etc., to provide updates and news of interest.	800,000
DOT # 7	<b>Publication Sales</b> – Caltrans sells publications including technical standards to businesses so they can bid on, and perform work on, contracts that apply Caltrans' standards.	14,737
DTSC # 7	<b>Information Request (Customer Service and Regulatory Assistance)</b> – A business requests information from DTSC.	16,000
FTB # 9	<b>Tax Forms Development</b> – FTB works to keep its taxation process in line with the current laws of the state and with expressed issues or concerns of its business entity taxpayers. FTB annually evaluates its existing tax forms relative to the law and other inputs, modifies existing forms or creates new forms and instructions for filing returns and paying taxes to FTB.	N/A
FTB # 10	<b>Tax Forms Distribution</b> – FTB arranges for the distribution of its forms and instructions to its taxpayers through normal print means and through electronic means. FTB addresses printing as well as the movement of preprinted forms out to the taxpayer. FTB also uses its web site to distribute forms and works with vendors of tax preparation software.	N/A
FTB # 11	<b>Customer Service</b> – FTB offers general services to allow customers to place and receive responses to their inquiries and requests.	857,500
FTB # 12	<b>Customer Assistance Outreach</b> – FTB identifies needs and responds to requests for workshops, training, and other forms of outreach aimed at helping business taxpayers understand and work effectively with FTB.	N/A

INFORMATION/CUSTOMER SERVICE		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
HCD # 11	<b>Formal/Informal Title Search</b> – Pre-authorized entities with established requestor accounts may request copies of the current title record for units such as mobilehomes and commercial coaches.	37,767
HCD # 13	<b>Title Search Log Review</b> – Requestor accounts may review their online history of successful title searches at no additional charge.	N/A
SOS # 2	<b>UCC Filings – UCC 3</b> – The State of California requires a written request for any search of the UCC records or retrieval of information. The general public can request retrieval of the following types of information: Certificate only, Certificate & Copies, Certificate Plus Copies, search to Reflect, and Copies Only.	121,216

### 3.1.7. Claims and Funding

The Claims and Funding phase refers to demands by a business against state or federal funds or demands by an individual against an employer's account, such as for unemployment and disability, or requests for grants or loans from the state by a business. The processes in the Claims and Funding phase include processing requests, payment, and exception/protests. Most Claims and Funding phase processes occur during the Operation Stage. **Figure 18** lists the processes that fall under Claims and Funding.

**Figure 18. G2B Processes Reviewed – Claims and Funding**

CLAIMS AND FUNDING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
DTSC # 4	<b>Brownfields Loan Program</b> – A business can seek a loan for investigations and cleanup of damaged, urban properties due to the impacts of prior hazardous substance release.	5
EDD # 8	<b>Employer Wage Protest</b> – A claim for unemployment insurance may be based upon erroneous wage information, resulting in erroneous charges to the employer's reserve account. To rectify such errors, employers are provided the opportunity to protest the indicated wage.	100,000



CLAIMS AND FUNDING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
EDD # 9	<b>Benefit Audit (DE 1296B)</b> – To ensure that unemployment benefits are correctly administered to claimants, EDD requests employers to provide detailed employee earnings during the weeks for which benefits were being claimed. EDD then crosschecks benefits against earnings reported to determine if the claimant has been overpaid benefits.	1,500,000
EDD # 10	<b>Disability Voluntary Plan Claim</b> – State law (with exceptions) requires employers to deduct state disability insurance from employee wages. Employers may provide their own plan provided it is approved by EDD. EDD determines any claim award based on reported wages. This award is what the employee would be eligible for under the state plan.	36,000
EDD # 11	<b>Disability State Plan Claim</b> – EDD administers the state's disability insurance plan that provides benefits to disabled employees. Employers must participate in the state's plan or may, subject to EDD approval, provide their own voluntary plans. Employees may file claims for disability benefits.	690,000
EDD # 12	<b>Treating Physician's Response</b> – This transaction is included as a step in filing a disability state claim. A treating physician, who prepares and submits to EDD a report of the diagnosis and prognosis of the employee's condition, must support employee's disability claims. Refer to item 11 above.	690,000
EDD # 13	<b>Employer Notification</b> – This is included as a step in filing a disability claim. The employer is notified to allow any protest or other input to the claim process. Refer to items 10 and 11 above.	690,000
EDD # 15	<b>Unemployment Claims</b> – Persons currently unemployed may be eligible to receive payments during their unemployment. They file a claim for unemployment insurance benefits through EDD.	2,400,000
EDD # 16	<b>Notice of Unemployment Claim Filed</b> – This transaction is included as a step in filing an unemployment claim. The employer indicated by a claimant is notified to allow any protest or other input to the claim process. Refer to item 15 above.	2,400,000
EDD # 17	<b>Employer Response to Notice of UI Claim Filed</b> – This transaction is included as a step in filing an unemployment insurance claim. An employer has the opportunity to respond to any claims made by his employees with information related to eligibility or wage issues. Refer to item 10 above.	560,000

CLAIMS AND FUNDING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
EDD # 18	<b>Employer Request for Ruling</b> – This transaction is included as a step in filing an unemployment claim. Former employers of a claimant may request that EDD determine whether or not their reserve account may be relieved of any contribution to the claim. Refer to item 15 above.	157,000
FTB # 8	<b>Claims Process</b> – Entities that believe that tax refunds are due to them may file claims with FTB. FTB will determine whether or not refunds are due, and have those refunds processed.	N/A
HCD # 4	<b>Issuance of Notices of Funding Availability (NOFA) and Requests for Proposals (RFP)</b> – Both state and federal funds are available to individuals, cities, counties and private organizations involved in housing and community development. These funds are administered by HCD through various programs that are available from time to time. NOFAs and RFPs are used to provide information to potential beneficiaries under these programs, on the funds available, their designated usage and eligibility requirements for application. This is a step in the Funding Application process. (Volume = 20 notices X 157,000 business entities annually)	3,140,000
HCD # 5	<b>Funding Application</b> – Once funding programs are open for application by the publishing of NOFAs or RFPs, applicants may attempt to obtain loans or grants for affordable housing, economic or community development.	1,000
HCD # 6	<b>Determination and Announcement of Awards</b> – Applications for benefits under funding programs are evaluated and passed through a decision-making process from which applications are chosen and awarded funding. Awardees must further comply with the specific requirements of the program to actually obtain their designated funding.	600
HCD # 7	<b>Execution of Contracts and Loan Documents</b> – Funds awarded under the various HCD administered programs have specific terms to which each awardee must contract and specific prerequisites that each awardee must fulfill to obtain disbursements from the designated funds. Each awardee must enter into the necessary legal contracts with HCD.	600
HCD # 8	<b>Funding Requests and Disbursement of Funds</b> – To obtain funds in accordance with the established contracts, awardees submit supported requests that are evaluated to determine whether or not approval should be given for funds to be disbursed.	2,000

CLAIMS AND FUNDING		
AGENCY PROCESS	TRANSACTION	ANNUAL VOLUME
HCD # 9	<b>Monitoring of Grantee/Borrower Compliance with Contracts</b> – Funding contracts attach obligations to be fulfilled by the awardee. These may include limiting rents, assuring residents are income-qualified, reporting to HCD and cooperating with HCD’s active monitoring of activities. This also allows HCD to monitor for cases where an awardee defaults on the established contract. HCD also may need to monitor to justify actions to be taken by the awardee, such as rent increases due to reported cost increases. This is treated as a step in supporting Funding Requests and Disbursement of Funds.	750
HCD # 10	<b>Funding Requests and Disbursement of Loan Funds</b> - To obtain funds in accordance with the established contracts, awardees submit supported requests that are evaluated to determine whether or not approval should be given for funds to be disbursed.	157,000
SWRCB # 8	<b>Underground Storage Tanks Initial Claims Processing</b> - A business conducts this transaction with SWRCB if it wants to be reimbursed for either cleanup or third party cost as a result of cleaning up a leaking underground storage tank containing petroleum.	3,200
SWRCB # 9	<b>Underground Storage Tanks Payments</b> - In order for a business to be reimbursed for costs identified in SWRCB #8, it must submit a payment request.	13,800

PwC held cross-agency focus groups for five of the seven lifecycle phases:

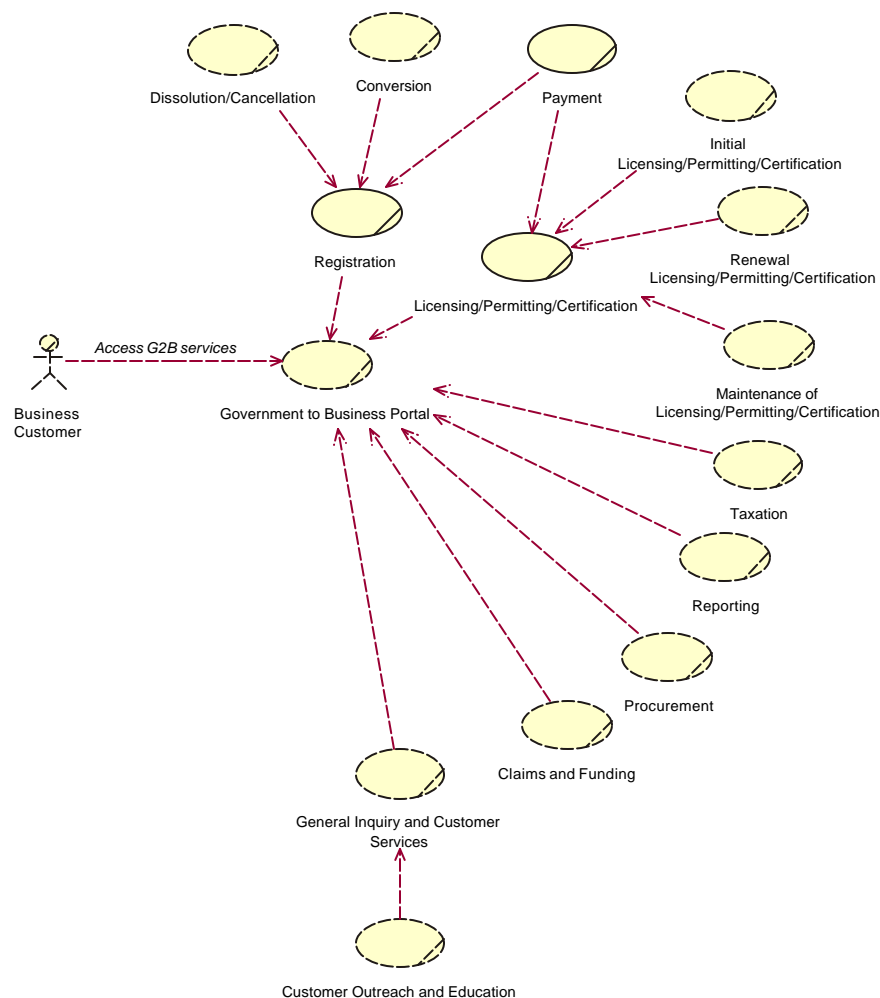
- Initial Set Up
- Licensing
- Renewal
- Taxation
- Reporting

The agencies that were invited to each cross-agency focus group searched for commonalities among their processes and worked together to develop a conceptual business model for the eBusiness Center portal for that phase. The business models are high-level activity diagrams for each lifecycle phase – a framework onto which the business rules for each individual process must be added before any development begins. These business models are documented in Appendix V.

### 3.2. eBusiness Center Portal Use Case Model

**Figure 19** presents the use case diagram for the Lifecycle Phases. The use case model is a tool of the Unified Modeling Language (UML) to aid developers in identifying and constructing reusable objects in object-oriented analysis and design.<sup>6</sup>

**Figure 19. Government to Business eBusiness Center Portal Use Case Model**



<sup>6</sup> Each use case is a set of scenarios tied together by a common user goal, represented by an oval in the use case diagram. A use case may be a whole process or part of a process and may represent many transactions. The use case diagram shows the relationships between the use cases that developers may consider in designing reusable objects for the eBusiness Center portal implementation. (See Martin Fowler's *UML Distilled Second Edition: A Brief Guide to the Standard Object Modeling Language*, 1999, for a more in-depth discussion of the concept of use cases and object modeling.) The EBO asked PwC to use the UML to document the G2B processes in this Business Process Review to facilitate subsequent development.

### 3.3. Internet Readiness Assessment

An agency's Internet readiness is one indication of how easily the agency's business process can interface with the eBusiness Center portal. It is also a benchmark for agencies to evaluate the development of their information technology infrastructure.

PwC adapted its proprietary E-business Maturity Model (*emm@*) methodology, which was developed for the private sector, to assess government agency Internet readiness. Each participating agency completed a self-assessment in the agency survey conducted in November 2000.<sup>7</sup> PwC used the results of the self-assessment and knowledge gained from the agency focus groups to assign an Internet readiness score to each agency.

Of the 20 agencies participating in the Business Process Review, five are at level 1, Online Presence. Nine are just slightly higher with only one or two business transactions available online. Five agencies – EDD, DCA, DMV, FTB, and CDI – are using the Internet as an alternative channel for their customers to complete or initiate some business transactions. In some cases, the web front end is integrated with backend systems, but this is not uniformly the case with all the agencies' processes.

Figure 20. Internet Readiness Levels

**Level 1: Online Presence** - using electronic channels to provide basic information ("brochureware") about the agency

**Level 2: Online Business** - using a stand-alone website as an alternative channel (e.g., accepting submission of information via a web site) but without these services being integrated into the agency's systems. Manual interfaces with the existing core systems are used to support the services.

**Level 3: Integrated Online Business** - using electronic channels to support core processes, and are integrated with the systems and business processes already in existence. Information available in online and offline channels is synchronized and the online channel can complete business transactions.

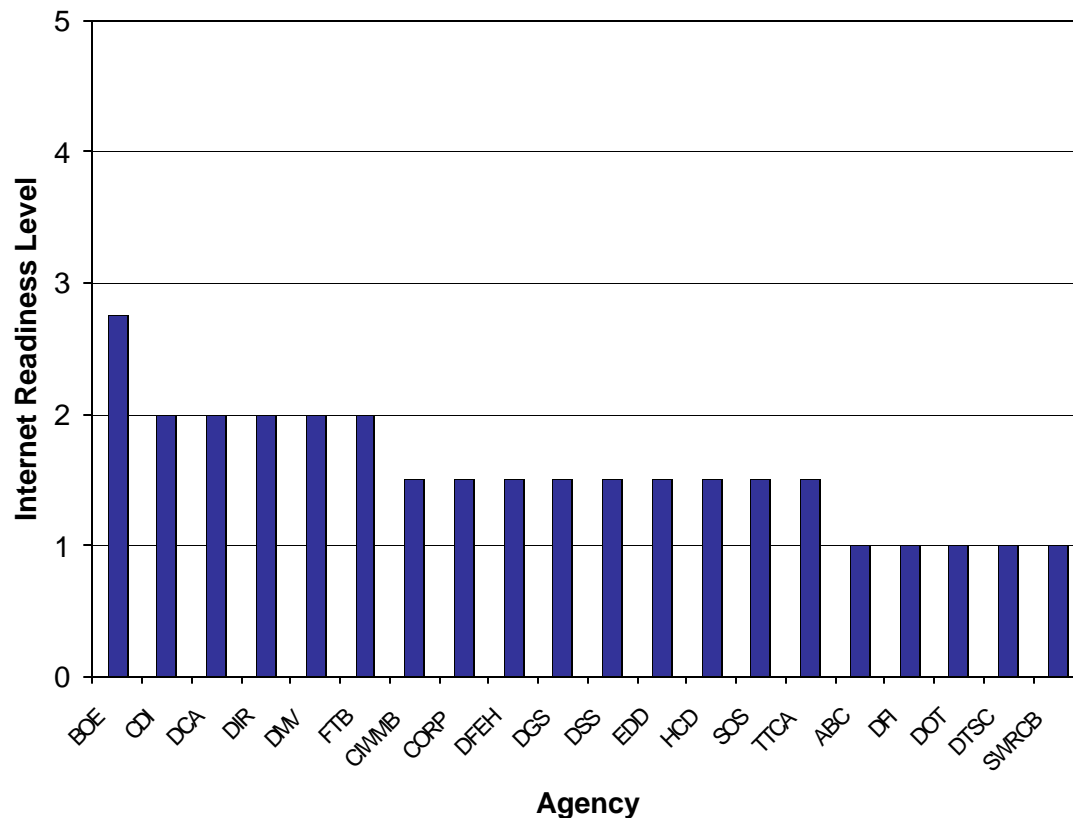
**Level 4: Advanced Online Business** - exploiting the e-business infrastructure to change processes to take advantage of new technology, leveraging integration across the agency as well as outward to businesses and cooperating agencies to promote electronic exchange of data and gain efficiencies. The agency can push customized information to the customer based on knowledge of customer needs.

**Level 5: Full e-business** - using e-business to focus upon core capabilities, and achieve a seamless integration between the agency and business partners and customers. The agency's systems communicate with other agencies' or businesses' systems.

<sup>7</sup> A complete *emm@* assessment would require that PwC conduct the assessment through interviews and verification with the organization about the responses to the survey questions. Because of the time constraints in this project, the participating agencies completed a self-assessment, which is less robust.

**Figure 21** shows relative levels of Internet readiness for the agencies in the Business Process Review.

**Figure 21. State Agency Internet Readiness Levels**



The Internet readiness assessment looked not only at what capabilities an agency has made available through the Internet, but also at how ready its existing backend systems are to be made available to the Internet. For an agency to move up in Internet readiness, its processes need to be supported by systems that make transactions between the web front end and the supporting backend systems seamless.

As shown in **Figure 21**, most of the agencies participating in the review were found to be in the categories Online Presence and Online Business. Most of the 20 agencies have some level of automated backend systems to support their existing processes, oriented to meet the needs of existing channels (i.e., mail, walk-in, telephone). In a few cases, no backend systems exist and the G2B processes are completely paper-based.

**Level 1: Online Presence.** Five agencies are in the Online Presence category, implementing minimal usage of the Internet in relation to their processes. These agencies mainly use their web sites for disseminating static information, such as

listing available G2B services, instructions and requirements, and providing downloadable forms. In some cases, agencies also use broadcast e-mail to businesses. In general, these five agencies do not have transactional G2B services available on the Internet.

To integrate an Internet channel with the agencies' existing processes may require process reengineering to ensure that the process can accommodate an Internet channel. Systems development or enhancement may need to be performed to automate entirely paper-based processes to facilitate the new channel. The existing hardware platforms for networking and running applications might also need modification. As these agencies do not currently implement applications through the Internet channel, it is possible that some of the necessary technical skills are not available in those agencies today. These agencies may need significant assistance and guidance, particularly in technology areas, to integrate the Internet channel as a part of the portal project.

**Level 2: Online Business.** Of the fourteen agencies in the Online Business category, nine are in the early stages of implementing the Internet channel for their G2B services. In this category, most agencies have begun to provide initiation of G2B transactions through the Internet. Usually this is done by capturing the necessary business information for the process on the Internet and then exporting or replicating it to the backend systems.

Some agencies have also fully replicated their backend systems database to a separate Internet application and must synchronize this database with their backend system periodically. Typically for agencies in this category, only a few selected processes have been Internet-enabled to this extent. Neither full coverage of core processes nor full integration of the Internet as a channel have been achieved by these agencies. However, many of them have greater awareness of the obstacles that they face in bringing process to the Internet and have developed some skill and experience in doing so.

#### Implementing eGovernment Transformation through Comprehensive and Planned Change

The Employment Development Department (EDD) has embarked on a significant effort to transform the delivery of its G2B services. In a comprehensive and orchestrated effort to effect this change, the EDD has begun the process of upgrading its infrastructure. With the help of integrators, EDD is implementing secure, reliable, and scalable systems based on the Windows 2000 architecture. EDD is also exploring the means to integrate its existing mainframe applications with the Internet using Enterprise Application Integration techniques and middleware, to preserve its existing investment in mainframe systems and existing databases. EDD's approach also recognizes the need for business process review and reengineering to improve its internal process and eliminate redundancies to allow effective and efficient delivery of services to its customers.

**Level 3: Integrated Online Business.** The sole agency in the Integrated Online Business category has taken significant steps to integrate the Internet as a channel for accessing its services. Core services have been identified and prioritized for Internet enabling. A concerted effort is being made throughout the agency. Business processes are being reengineered, and systems have been consolidated and reengineered to facilitate this new channel. However BOE is still early in its integration efforts having implemented one major process, e-Filing, and being in the midst of implementation of a second major process, e-Registration, with more planned in the longer-term. As a result, BOE has a firm grasp of most of the obstacles to be encountered in integrating with Internet channels, both from a process and a technology perspective. Most of the expected connectivity and infrastructure issues have been addressed, simplified or are anticipated by the BOE's activities to date.

### **3.4. Process Improvement Opportunities**

Through the agency focus groups and subsequent analysis, PwC identified areas in which the agencies may be able to improve their processes.

**Information Sharing** – At the beginning of the Business Process Review, the EBO and the PwC team expected to find many G2B business transactions that require two or more agencies' cooperation to complete. In fact, although there are many processes that involve multiple agencies, the business customer must almost always take the responsibility for obtaining information from one agency and providing it to another.

Instead of placing the onus on the business to provide information from one agency to another, government agencies could provide value to business customers by making public information available online and letting businesses and other agencies know about it. For example, BOE has verification of seller's permits online. An agency issuing a license or permit that requires verification of a seller's permit can check online as long as the business knows his/her permit number without requiring written documentation from BOE.

**Livescan** – Livescan is the automated fingerprint registration system in use by the Department of Justice (DOJ). Agencies can encourage customers to use Livescan for criminal background checks by publicizing the difference in turnaround time between Livescan and fingerprint cards. Many of the participating agencies require background checks through DOJ and/or the Federal Bureau of Investigation. DOJ typically processes fingerprints submitted through Livescan stations in 24 to 48 hours. Manual fingerprint cards can take two to four weeks. Agencies may not want to make Livescan the only option for their customers until there is a more pervasive penetration of Livescan stations throughout the state. However, using Livescan can significantly speed the process from the customers' perspective.

**Payment** – There is no panacea to the problem of how to accept payments over the Internet. Some state agencies already accept credit card payments via



Internet using third-party vendors. Every attempt needs to be made to give businesses a payment process with a common look and feel. Providing information on payments differently for each agency will only frustrate the business customer. In the long term, a cohesive enterprise approach for accepting payments across all agencies would serve businesses best.

**Specific Opportunities for State Agencies** – The agency focus groups and subsequent analysis also revealed some specific ideas, presented in **Figure 22**, for process improvement for each agency. These opportunities are not necessarily quick solutions, but they present alternatives that agencies may wish to consider to improve their processes to make them easier to integrate into the portal. Each agency should consider whether these opportunities are a high priority in the context of competing projects, initiatives, and its own eGovernment strategy.

**Figure 22. Agency-specific Process Improvement Opportunities**

AGENCY-SPECIFIC PROCESS IMPROVEMENT OPPORTUNITIES	
ABC	<ul style="list-style-type: none"> <li>Explore publishing information on license application status online to reduce number of phone and mail inquiries.</li> </ul>
BOE	<ul style="list-style-type: none"> <li>Explore e-mail notification and e-forms.</li> <li>Continue to work with other agencies to provide integrated verification of customer's BOE information.</li> </ul>
CDI	<ul style="list-style-type: none"> <li>Include record of continuing education credits with renewal notice to inform applicants of deficient requirements.</li> <li>Explore e-filing of premium tax returns, sharing with BOE and State Controllers Office electronically.</li> </ul>
CIWMB	<ul style="list-style-type: none"> <li>Send confirmation of information changes made to the Solid Waste Information System electronically.</li> <li>Advertise for CIWMB-sponsored training and conferences online to expand the marketing reach.</li> <li>Accept e-registration for training and conferences for customers' convenience.</li> </ul>
CORP	<ul style="list-style-type: none"> <li>Redefine processes to standardize practices between district offices.</li> </ul>
DCA	<ul style="list-style-type: none"> <li>Leverage RN pilot project to incorporate other renewal and initial licensing processes.</li> </ul>
DFEH	<ul style="list-style-type: none"> <li>Automate Communication Center phone system to be able to track inquiries.</li> <li>Establish e-interfaces with the awarding state agencies to encourage the sharing of state contractor information.</li> <li>Provide downloadable reports for contractor compliance to help customers get the right forms for the right reports.</li> </ul>
DFI	<ul style="list-style-type: none"> <li>Conduct a process and technology strategy review to be better positioned to participate in eBusiness Center portal project.</li> </ul>
DGS	<ul style="list-style-type: none"> <li>Explore a "virtual plan room" to allow the viewing/downloading of construction designs and plans online.</li> <li>Establish a procedure to ensure consistency of online State Contracts Register project listings with actual bid openings.</li> </ul>
DIR	<ul style="list-style-type: none"> <li>Evaluate EBO licensing pilots for applicability to garment manufacturers, talent agent and hazardous activity online licensing</li> </ul>

AGENCY-SPECIFIC PROCESS IMPROVEMENT OPPORTUNITIES	
	<ul style="list-style-type: none"> <li>and renewals.</li> <li>Develop online publication sales and request system.</li> </ul>
DMV	<ul style="list-style-type: none"> <li>Explore whether some forms (e.g., for the Employer Pull Notice program) that do not require payment or signature could be accepted electronically.</li> </ul>
DOT	<ul style="list-style-type: none"> <li>Review departmental policies and regulations on signature requirements. Consider accepting Encroachment Permit and other permit/license applications by e-mail.</li> <li>Make publications for sale available in portable data format (PDF) to decrease shipping costs.</li> </ul>
DSS	<ul style="list-style-type: none"> <li>Standardize unusual incident and death reports online; file electronically for better record keeping incident tracking.</li> <li>Standardize community care licensing process at DSS HQ and regional offices.</li> <li>Place background check status on a secured site to reduce the number of inquiries to the background check unit.</li> </ul>
DTSC	<ul style="list-style-type: none"> <li>Enter hauler registration information into the Haznet system before or at the same time the registration certificate is issued.</li> <li>Investigate ways to be notified of lapses in public liability insurance so DTSC can invalidate the hauler's Reg ID.</li> </ul>
EDD	<ul style="list-style-type: none"> <li>Create online application to capture independent contractor reports and new employee registrations for export and upload to backend systems.</li> </ul>
FTB	<ul style="list-style-type: none"> <li>Simplify the customer service call tree and publicize the main customer service phone numbers.</li> <li>Simplify navigation of web site to make business tax forms available in an easier-to-find location online</li> </ul>
HCD	<ul style="list-style-type: none"> <li>Leverage experience gained from Online Title Search effort to implement online applications for occupational licensing applications and mobilehome park permit renewals.</li> <li>Implement online applications for Mobilehome, Manufactured Home, Commercial Coach, Floating Home and Truck-Camper Registration.</li> </ul>
SOS	<ul style="list-style-type: none"> <li>Adapt the "Starting a Business" webpage to be interactive and walk businesses through the forms they must file with SOS and other state agencies.</li> <li>Develop online search capability to locate notaries public.</li> </ul>
SWRCB	<ul style="list-style-type: none"> <li>Create interface between systems (Smarts and AFBS) to streamline the storm water payment process and reduce manual updates.</li> <li>Place a downloadable report online for annual storm water permit reports.</li> <li>Create e-infrastructure among SWRCB divisions to enable online payments.</li> </ul>
TTCA	<ul style="list-style-type: none"> <li>Explore ways to allow state agency access to the California Film Commission to reduce fax transmission time.</li> <li>Develop capabilities to allow electronic form submission of self-assessments for the Tourism Assessment Program.</li> </ul>

## 4. Implementation Strategy

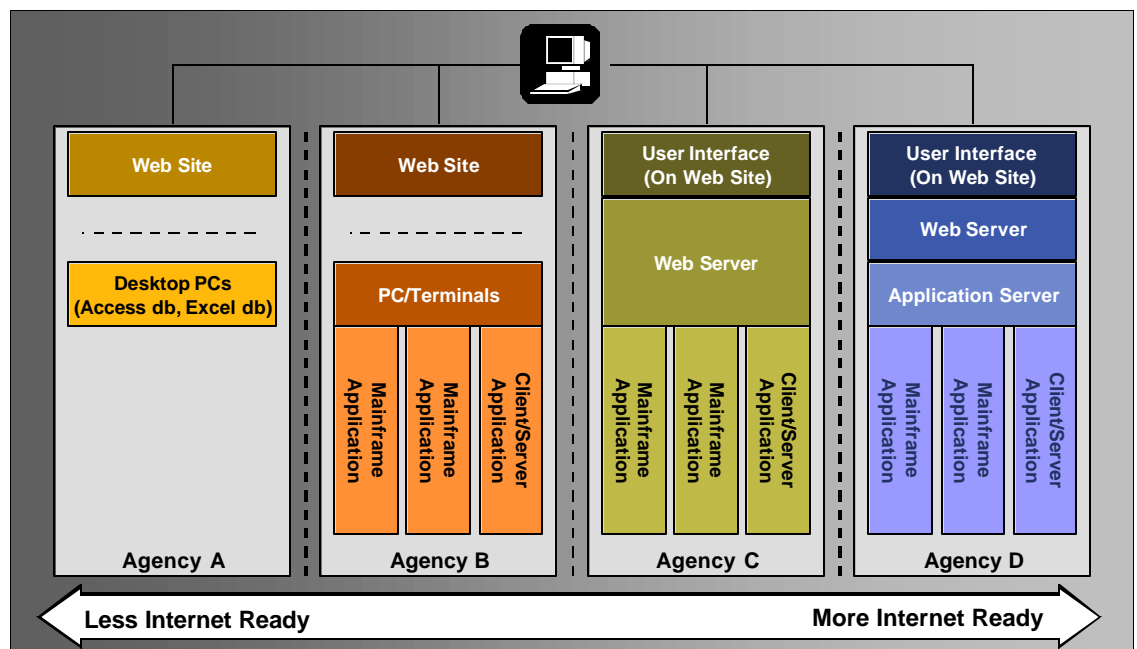
This section presents the implementation strategy for the eBusiness Center portal. The implementation strategy recognizes EBO's goal to continue to show success on the eBusiness Center portal through implementing "quick wins" and short-term pilots, while building a long-term enterprise-wide approach that can support more complex transactions, and provide businesses with greater value. It also emphasizes the need for strong project management and coordination among the state's eGovernment initiatives.

### 4.1. Introduction

#### 4.1.1. Long-term Vision for the eBusiness Center portal

In today's environment, a business that wishes to use the Internet to interact with the state will find that in general the state has limited Internet-enabled processes, although some agencies are more sophisticated than others in their Internet offerings. The business must first find the correct agency's web site for a given transaction and then navigate through the web site to find the appropriate page. In many cases, the business will find that the only available option is to print a form off the web page and submit it through U.S. mail or in person.

**Figure 23. Current Web Environment**

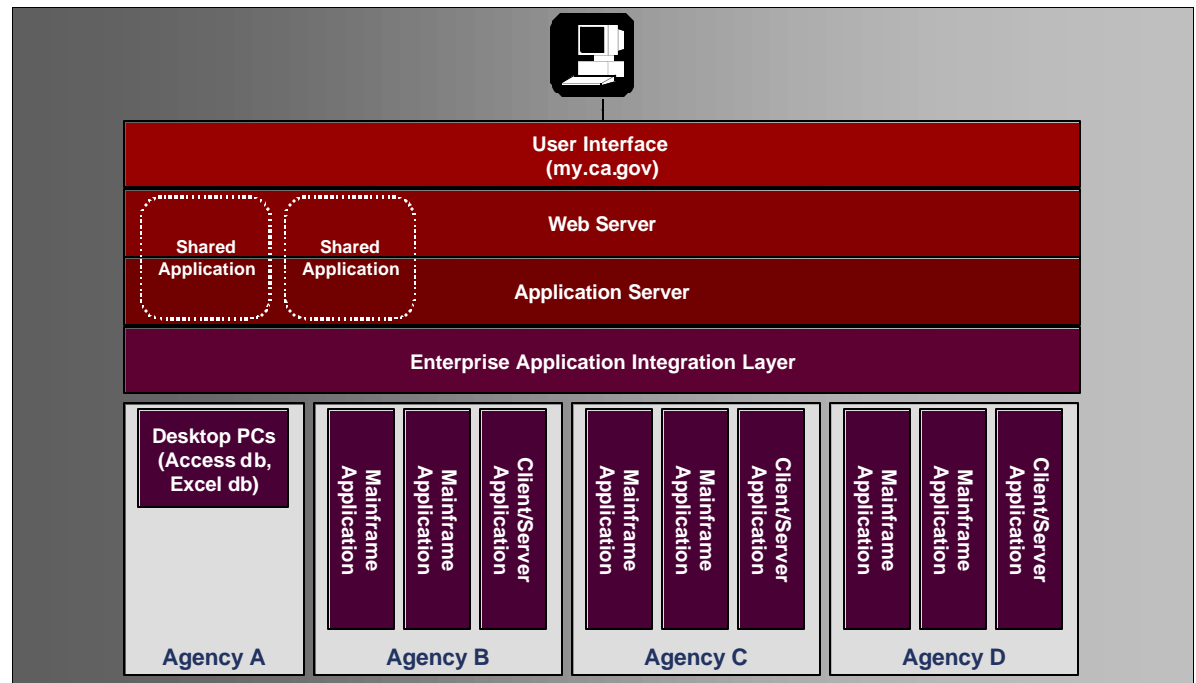


**Figure 23** represents the current web environment. Based on the Internet readiness levels presented in Section 3, most agencies in the Business Process Review fall into the "less Internet ready" half of the picture. Even

when transactions appear to be online to the business, the state agency may not have integrated the web to its backend systems. Placing transactions online raises businesses' expectations about the quality and speed of service they will receive, but does not leverage the technology to make improvements in processes and backend infrastructure. Nevertheless, even if every state agency were on the more Internet ready end of the spectrum but with separate user interfaces, businesses would still experience the frustration of searching for the right agency and the lack of communication between state agencies.

The goal of the eBusiness Center portal is to aggregate G2B information and services across state agencies into a seamless web eBusiness Center portal. A business should not need to know which agencies are responsible for a given transaction. The eBusiness Center portal should be intelligent so that a business can submit basic information such as address change once and expect that all affected state agencies' records are updated. This integration of services and systems is shown in **Figure 24**.<sup>8</sup>

**Figure 24. Future Web Environment**



<sup>8</sup> A more in-depth discussion on architecture is presented in Appendix W.

#### 4.1.2. Assumptions In Developing the Strategy

**Limited Resources** – PwC assumes that the state may have finite resources to put towards eGovernment especially in light of other fiscal burdens facing the state.

**Short Cycles for Implementation** – PwC assumes that the expressed goal of the state to produce results quickly is a driving factor for the development of the eBusiness Center portal. That is, the state desires to include new G2B processes on the eBusiness Center portal by the end of the fiscal year and to continue to introduce new processes rapidly.

**Existing Pilots** – PwC assumes that existing pilot projects such as registered nursing license renewal process may not be maintained as part of the long-term implementation. Existing pilot projects have applied a template approach<sup>9</sup> to creating web pages and interfaces between the eBusiness Center portal and existing backend systems. Experience obtained from implementing the pilot projects is useful in developing a long-term enterprise solution, but the pilot projects themselves are not an optimal long-term solution for the eBusiness Center portal because they require unique customizations making each implementation a separately maintained and specific application rather than a generic solution. Configuration management for a template and all derived applications based on it rapidly becomes difficult as the number of processes and the complexity increase. Templating also does not allow for the effective incorporation of new shared functionality once applications are derived from the template.

**Limited Change Required to Backend Processes** – PwC assumes that the eBusiness Center portal should be able to connect to existing processes and systems without requiring significant changes to the back end. The eBusiness Center portal addresses only the interface with the business. Therefore, including G2B processes in the eBusiness Center portal may not result in substantial process improvements without business process reengineering efforts undertaken by the state agencies. The eBusiness Center portal must manage customers' expectations accordingly.

**Frequent Reevaluation of the Project Direction** – PwC assumes that the state will conduct an evaluation at the end of each development cycle to ensure that the goals of the project are met and the critical success factors for the eBusiness Center portal are being achieved. This will help ensure that the significant investment necessary to implement the eBusiness Center portal yields desirable outcomes.

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<sup>9</sup> A template approach refers to copying an existing application, such as for one type of license, and modifying it to work for a similar application, such as for another type of license. The result is two similar but separate applications.

**Frequent Customer Interaction** – PwC assumes that the state will continue to build on its first customer survey by continuously soliciting customer feedback on the eBusiness Center portal direction, content, and success.

#### 4.1.3. Critical Success Factors

Critical success factors answer the question: “What must the eBusiness Center portal do very well to be successful?” They are guides in developing a strategy for the success of the portal and in making decisions regarding the development and implementation of the portal.

The portal can provide value to businesses by allowing them to access government services and information online. The value to businesses will be maximized if the portal meets the following critical success factors:

- **Cost-effective for business.** The portal should provide existing services at the same cost or lower cost to businesses than traditional services. New services should be value-added and provided at a reasonable cost to businesses. The portal should provide services effectively without the need for businesses to invest heavily in new technologies.
- **Convenient.** The portal should be convenient (24/7), easy-to-use, and consistent with other contact channels. The portal should be customer-focused in its design so that it is intuitive to the user. Online and/or telephone customer support should be available to assist users. Businesses should receive the same information through the portal as other contact channels, and information provided through one contact channel should be synchronized with all other channels.
- **Timely.** For businesses, time is money. The portal should allow businesses to complete transactions in the shortest possible timeframe and reduce transaction time versus traditional channels when possible.
- **Accurate.** The portal should capture accurate information and eliminate submission of redundant information by the business. The portal should send appropriate information to the right state agency and track workflow for accountability to ensure the customer’s needs are met. The portal should also make accounting easier and more accurate so the customer experiences seamless transactions across state agencies.
- **Secure.** The portal must guarantee privacy and confidentiality for businesses’ information and transactions.
- **Well-known.** Businesses must be aware of the portal to use it, and businesses must use the portal if it is to be successful.

These critical success factors should be the basis for performance metrics that the state develops as it moves forward. Performance metrics establish standards by which the state can evaluate whether the portal has succeeded in meeting the state's original objectives and vision for improving service to businesses.

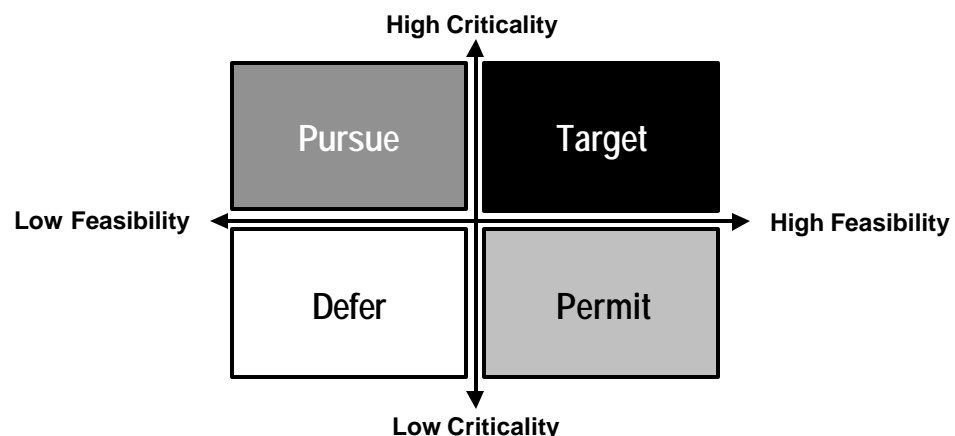
#### 4.1.4. G2B Process Prioritization

The state has limited resources with which to build the portal, and must consider phasing its development. To do this, it must select among the large number of processes identified during the Business Process Review. PwC developed a criticality/feasibility framework to help the state prioritize the 178 processes. The framework is a qualitative tool that provides guidance in making difficult choices across many projects that could be valuable to the state's businesses. The framework supports the critical success factors by identifying processes that will help the state to be successful.

#### Criticality/Feasibility Analysis Framework

To prioritize processes identified as candidates for the portal project, we considered two primary criteria: criticality and feasibility. We examined how critical a given G2B process is to the success of the portal and then how feasible it is to include that process in the portal development. Based on this analysis, each process falls within a quadrant in the following matrix.

**Figure 25. Prioritization Framework for Including Processes in the Portal Project**



The analysis of each process for criticality and feasibility is necessarily qualitative. The criteria for each are as follows:

**Criticality**, or how critical the process is to the success of the portal project, is a function of the potential benefits to businesses and the government agencies involved. Things to consider include:

- Strategic Fit – Does this process fit into the state’s eGovernment strategy?
- Market Conditions – Are businesses demanding this service be available online? Are there significant transaction volumes?
- Visibility – Will including this process in the portal promote a positive image of the state to businesses and other constituents?
- Efficiency – Will including this process in the portal project result in cost and/or time savings for businesses or the state?

**Feasibility**, or how easily the process can be incorporated into the portal, is a function of the agency’s Internet readiness and the degree of required manual intervention to complete the process. Things to consider include:

- Operational Readiness – Is the government agency ready, from a technology and capability standpoint, to undertake this project?
- Degree of Required Manual Intervention – To what degree does this process have significant manual intervention (e.g., investigations, inspections, or testing) that are not amenable to automation?
- Development Cost – Are development costs relatively low or high?
- Leveragability – Can the application leverage an existing application? If a new application must be developed, will other applications be able to leverage it?

Each process was assessed using this criticality/feasibility framework. Based on this assessment, each process was assigned to a quadrant of the matrix. The following definitions describe the quadrants.

**Target** – Processes that will reap significant benefits (high criticality) with relatively low risk (high feasibility) should be included in the portal project. The Enterprise Business Office should aid in the development of applications for these processes.

**Pursue** – Processes with high criticality but low feasibility are worth pursuing. The Enterprise Business Office should encourage state agencies to build the application with guidance from the portal project. High criticality implies that significant benefits can be realized by including



the process in the portal project, but low feasibility implies some risk. For the long-term strategy, the EBO must select some of these more challenging processes to show that the enterprise approach can meet the needs of complex, as well as simple, applications.

**Permit** – Some processes may be easily incorporated into the portal project (high feasibility) but are not essential for the success of the project (low criticality). High feasibility implies low risk, but low criticality implies little gain. The state – and individual agencies – should be cautious about choosing “permit” processes. From a business perspective, the state’s limited resources are better spent tackling difficult tasks with significant potential benefits than easy fixes with minimal gain. Agencies with adequate resources may continue to develop web-enabled applications for these processes, but these applications are not as important to the success of the portal project.

**Defer** – Processes that are not critical to the success of the project (low criticality) and are complex, require manual intervention, or are not particularly feasible for some other reason (low feasibility) should be deferred. Including these processes in the portal process would result in little gain to customers at substantial risk.

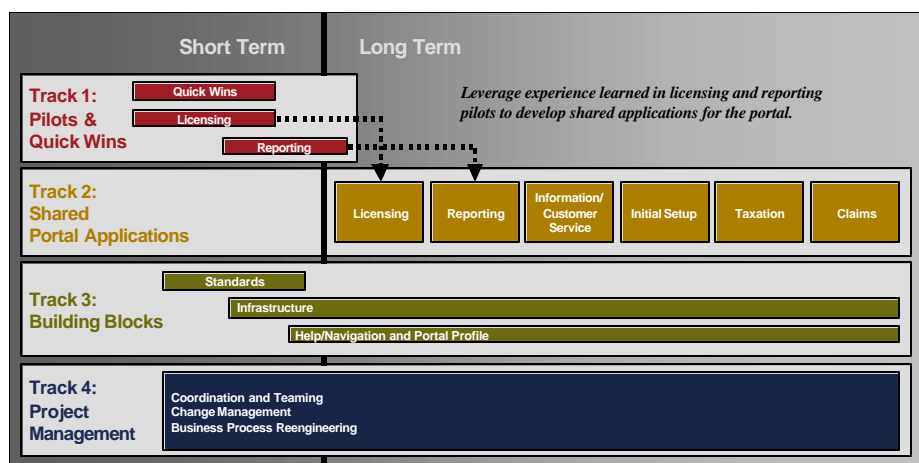
Appendix U presents all 178 processes and their descriptions along with the resulting priorities from this analysis. Appendix U includes tables sorted by agency, annual volumes, priority, and lifecycle phase.

#### 4.2. High Level eBusiness Center Portal Implementation Strategy

The EBO must continue to make visible progress to bring new functionality to the eBusiness Center portal in the short term, and at the same time, develop the basic building blocks necessary for the long-term success of the eBusiness Center portal. This concept guides the implementation strategy, allowing the state to achieve some quick wins by expanding on existing pilot projects and developing new ones, and then leveraging the experience and knowledge gained from the pilot projects in building shared applications for the eBusiness Center portal. This strategy also acknowledges the need to establish and maintain project management throughout the development of the eBusiness Center portal.

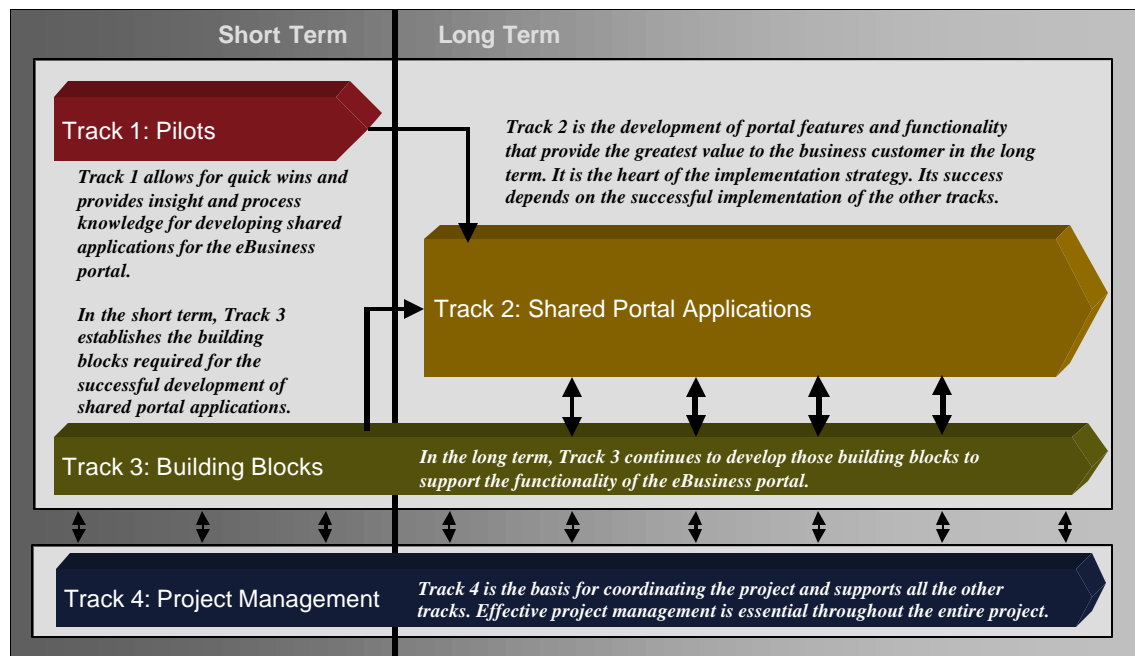
The strategy consists of four concurrent tracks: (1) Pilots and Quick Wins, (2) Shared Portal Applications, (3) Building Blocks, and (4) Project Management. These tracks are concurrent because of the importance of sharing experiences and lessons learned across all tracks. In the short term, EBO should begin with Tracks 1, 3 and 4. Track 1 should create continued visible successes while providing insight for the shared application development. Track 3 defines the building blocks, or the foundation functionality for the eBusiness Center portal, that must be designed and built with an enterprise perspective. Track 2 is the core of the long-term strategy. Building upon information collected and models developed in the short term, the state can begin to develop shared portal applications across the lifecycle phases identified in this Business Process Review. Track 4, Project Management, provides the guidance for system development, process reengineering, and communication, which are all critical to the success of the project. This track continues throughout the eBusiness Center portal development. **Figure 26** graphically depicts the implementation strategy.

**Figure 26. eBusiness Center Portal Implementation Strategy**



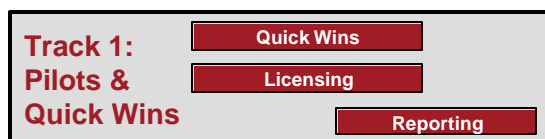
**Figure 27** shows that what is developed and learned in Track 1 feeds directly into Track 2, especially for the licensing and reporting shared portal applications. Some of the building blocks developed in Track 3 are predecessors for development of the enterprise-wide shared applications in Track 2. Others need to be designed prior to building any of the shared applications, but can be further refined over the long term as additional functionality is added to the eBusiness Center portal.

**Figure 27. Relationships Among Development Tracks**



#### 4.2.1. Track 1 – Pilots and Quick Wins

**Figure 28. Track 1 – Pilots and Quick Wins**



In the short term, the EBO should realize some quick wins by capitalizing on the process improvement opportunities identified through the agency focus groups. These include establishing information sharing mechanisms among agencies, establishing a common payment look and feel that agencies use to accept payment, and encouraging the use of Livescan for background checks. (See Section 3.4.) Individual agency efforts to

improve processes and update infrastructure will help to ensure that processes are ready to be incorporated into the portal.

The EBO already has an existing online pilot in professional licensing for license renewals for registered nurses. The EBO is now working on initial licensing for registered nurses and initial licenses and renewals for unarmed security guards and cosmetologists. In addition, a pilot with the Department of Pesticide Regulation (Intent to Operate Notification) is an example of a process that fits in the Reporting Lifecycle.

The EBO should transition these existing pilot projects into the Track 1 Licensing and Reporting phases. This will maintain both agency and customer interest, and build project momentum by providing working solutions to bring specific G2B processes online.

This track will also provide insight and process knowledge that can be used for detailed analysis and design to develop shared portal applications in Track 2. Track 1 can also help to identify any necessary IT infrastructure work needed in Track 3, building blocks, to support the eBusiness Center portal's long term goals.

To select among the processes identified by the criticality/feasibility framework, the state should use the following criteria to drive the selection of processes for Track 1<sup>10</sup>:

- **Benefits to Businesses.** From the business' perspective, the EBO should choose processes for the pilots that benefit customers most. These are processes that are highly critical to the success of the eBusiness Center portal project, and thus designated "target" (more feasible) or "pursue" (less feasible) in the process prioritization in Section 4. Ensuring appropriate impact

## Putting the Power in the Hands of California's Businesses!

In response to the recognized needs of businesses to conduct Title Search and Administration at their own pace, HCD has embarked on the development of tools to empower businesses to carry out these tasks over the Internet. The HCD recognized the reusability of its existing tools and developed a plan to make these tools Internet compatible and available to business. A selected small area, Title Search, was chosen and implemented through the HCD's website for a selected group of its business customers. With its success the HCD can now incrementally expand on the capabilities offered to customers over the Internet. Implementing Title Search on the Internet has shifted the power to achieve results from HCD to the customer. Businesses no longer have to wait on the HCD to turn around Title Search requests and the process response time is almost immediate. The HCD has also achieved a workload shift by enabling its customers and freeing its staff for more demanding activities.

<sup>10</sup> The same criteria are applied to Track 2 except where noted.

on small businesses is also important because they are a focus for the EBO.

- **A Balance of Simple and Complex Processes.** The EBO should choose both simple and complex processes. Licensing and reporting processes selected for Track 1 should balance the goal of bringing services to the web quickly and gaining sufficient experience and knowledge of the processes to make the best investment of time and effort for the long-term. From a practical perspective, the EBO's goal of leveraging shared applications is facilitated if IT architects and software developers have exposure to the issues that need to be addressed for both simple and complex processes. Therefore, a good mix of "target" and "pursue" processes should be chosen for expanding the Licensing pilots and developing the Reporting pilots.

For licensing processes, an effort must also be made to balance the pilots so that individual (i.e., professional) and entity (i.e., facilities) licenses are included. Selections of reporting processes should include both simple reports with structured data and complex reports with unstructured (free-form) or compound (multiple document) data. Reports that require follow-on processes either within the primary agency or with other agencies should also be selected for the pilots. EBO should consider reports that are required at specified periods throughout the year as well as ad hoc reports to understand how the eBusiness Center portal might set up communication with agency systems.

- **Partnering with Multiple Agencies.** The eBusiness Center portal project is a statewide effort that requires strong, productive working relationships with the agencies involved. From the outset, the EBO should foster relationships with as many state agencies as possible.

The state should apply these criteria to the pursue/target processes identified by this project. However, this project only looked at 20 state agencies and their processes so other important G2B processes may not have been included. The state should periodically review these and other state G2B processes to determine what should be included in Track 1 and Track 2.

**Figures 29, 30, and 31** list the priority processes (those in the target and pursue groups from the criticality/feasibility analysis presented in Section 4) for licensing, renewals, and reporting.

**Figure 29. Licensing Priority Processes**

LICENSING		
AGENCY PROCESS	PROCESS NAME	ANNUAL VOLUME
TARGET		
DCA # 1C	Licensure, Bureau of Barbering and Cosmetology (BBC)	14,119
DCA # 1F	Licensure, Bureau of Security and Investigative Services (BSIS)	54,724
DFI # 2	Transmitters of Money Abroad, New Agents	3,000
DMV # 9	Motor Carrier Permit (MCP)	56,000
DTSC # 1	Registration EPA ID Issuance	26,000
HCD # 12	Requestor Agent Administration	N/A
SOS # 7	Notary Commissions Applications	49,717
SWRCB # 1	Storm Water Permits	15,000
SWRCB # 2	Storm Water Permit Annual Payment	10,000
PURSUE		
CDI # 2	Producer / Adjuster License Applications	50,000
CORP # 1	Licensing	12,312
CORP # 7	Qualification of Sales of Securities and Franchises, and Amendments	46,000
DCA # 1A	Licensure, Bureau for Private Postsecondary and Vocational Education (BPPVE)	5,028
DCA # 1B	Licensure, Bureau of Automotive Repair (BAR)	15,825
DGS # 1	SB and DVBE Certification	24,128
DMV # 2	Occupational License	37,927
DOT # 1	Encroachment Permit	17,500
DOT # 2	Disadvantaged Business Enterprise Certification	4,800
DSS # 1	Community Care Licensing	13,452
DSS # 2	Criminal Background Check	159,097
DSS # 4	Administrator Certification	6,500
SOS # 6	Notary or Public Official Authentication	87,418

**Figure 30. Renewals Priority Processes**

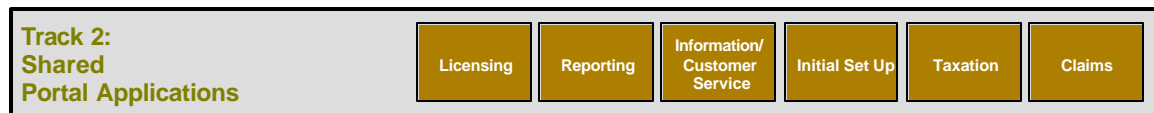
RENEWALS		
AGENCY PROCESS	PROCESS NAME	ANNUAL VOLUME
TARGET		
ABC # 1	Permanent License Renewals	72,204
CDI # 3	Producer / Adjuster License Renewals	140,000
CDI # 4	Producer / Adjuster License Maintenance	N/A
DCA # 2	License Renewals	835,995

**Figure 31. Reporting Priority Processes**

REPORTING		
AGENCY PROCESS	PROCESS NAME	ANNUAL VOLUME
TARGET		
ABC # 8	Price Posting	48,900
CDI # 5	Action Notices (Appointments and Terminations)	285,000
CDI # 7	Continuing Education Reporting	500,000
CORP # 8	Notice Filing	60,000
DIR # 11	Receipt and Reporting of Workers' Compensation Claims Data Through the WCIS Program	451,692
DMV # 1	DUI Treatment Program Provider	300,000
DMV # 5	Monitor Driver Performance (Employer Pull Notice)	1,500,000
DSS # 5	Unusual Incident Reporting	300,000
DTSC # 2	Verify EPA ID	95,000
SOS # 1	UCC Filings – UCC 1 & UCC 2	354,150
SOS # 11	Statement of Officers	733,002
SWRCB # 3	Storm Water Permit Annual Reporting	19,000
SWRCB # 5	Water Quality Self Monitoring Reports	33,500
PURSUE		
DFEH # 1	Monitor State Contractor Compliance with California Nondiscrimination and Equal Employment Opportunity Laws and Regulations	N/A
DMV # 4	Request DMV Information – Commercial Requester Accounts	42,800,000
DTSC # 8	Manifest Filings	500,000
EDD # 14	Missing Data Notice	120,000
EDD # 2	Independent Contractor Reporting	1,600,000
EDD # 3	New Employee Registration	9,200,000
EDD # 7	Wage Reporting	80,000,000

## 4.2.2. Track 2 – Shared Portal Applications<sup>11</sup>

**Figure 32. Track 2 – Shared Portal Applications**



To achieve the ultimate goal of making it easier for businesses to interact with state government, the EBO must have as its long-term goal the creation of an intelligent eBusiness Center portal. Intelligence is necessary to produce a eBusiness Center portal that:

- Is easy to use
- Can anticipate business needs
- Assists the business through a complete business activity that touches multiple agencies
- Simplifies the process for the business by exploiting technology
- Provides added value to the customer (e.g., by ensuring that submitted materials are complete and correct in fewer cycles of interaction with the agency).

To build an intelligent eBusiness Center portal, the state can build common and generic software that may be enhanced in incremental steps to add functionality as new processes are integrated into the eBusiness Center portal (Track 2). The early work in Track 2 should leverage the knowledge and experience gained from the pilots in Track 1.

To be customer-centric, the eBusiness Center portal must reflect the business' perspective of interaction with the state. Businesses view government as a single entity and do not care how state agencies are organized. A development scheme that is based on how customers conduct business with the state rather than how the state is organizationally aligned will be most intuitive and valuable to customers. Therefore, the shared portal applications are based on the business lifecycle phases identified in Section 3. Appendix V contains the activity diagrams that are a high-level depiction of the generic business models for Track 2.

<sup>11</sup> Shared portal applications are developed through the use of components that are built to embed the common functionality required by processes of a particular type. For example, rather than implementing a templated Licensing application that is then copied and modified for every type of license that the G2B portal must accommodate, a single Licensing application is implemented that can dynamically accommodate multiple different license types each having a specific process that varies slightly from a common and fundamental licensing process.



The overall elements of Track 2 eventually complete the business lifecycle phases described in Section 3. However, the development of the shared portal applications does not proceed through the lifecycle phases. Instead, it produces shared portal applications in the order that customers want them most, as shown in Section 2, Business Perspectives.

### **Licensing (Initial and Renewal)**

The first shared application developed in Track 2 should be Licensing for two reasons. First, the EBO will have experience with Licensing applications from the pilots in Track 1. Second, licensing processes in general proved to be quite similar, despite many different kinds of licenses reviewed, giving the EBO a good candidate for testing its ability to build shared applications with its selected software model.

Business licenses take many forms: licenses for the individual that are not associated with a particular business entity (e.g., barbering and cosmetology license); licenses for the individual that are associated with the business (e.g., mobilehome salesperson permits); licenses for the business itself (e.g., design approval agencies); and licenses for business facilities, services or products (e.g., community care facility licensing). For each of these license types, there is an initial license and a renewal process.

As a result, licensing presents the opportunity for shared application development for the eBusiness Center portal. The eBusiness Center portal could implement a licensing approach that customizes itself to the type of license selected by the business. This presents some technical challenges. The required material to be submitted for a license application varies from basic information that can be captured in fields, to the inclusion of pre-testing, testing as a part of licensing, preliminary education requirements, criminal records checks, and other documentation that presently must be presented in hard copy. Many of these issues are likely to be identified and addressed first in Track 1.

The criteria for selecting licensing processes for Track 2 are the same as for Track 1: benefits to businesses, a balance of simple and complex processes, and partnering with multiple agencies. Figures 29, 30, and 31 present priority processes for Licensing, Renewals, and Reporting.

### **Reporting**

Most agencies require some type of reporting for business entities they monitor or regulate. The agency and cross-agency focus group results suggest that reporting processes lend themselves to shared implementations. Additionally, implementing reporting pilots in Track 1 will allow the EBO to develop simple reporting functionality and test the requirements for more complex reporting.

Simple reporting processes require business entities to report very specific pre-determined information and might be implemented using a form completion approach (e.g., an independent contractor report). Complex reporting processes may require free-form reports with substantial supporting documentation (e.g., annual environmental impact reports outlining incidents and remedies along with third party water quality tests).

In the long term, development of the eBusiness Center portal application will have to address differences in report content (e.g., wage reports for an employer with 5 employees versus an employer with 5,000 employees). Report size or bulk might have different implications as to how reporting is handled by the eBusiness Center portal and how the customer completes the report (e.g., a long report may be completed over several days). Figure 31 presents priority processes for Reporting.

### **Information/Customer Service**

Businesses need access to general information about state requirements or services, such as types of business activities, business size, sales, revenue, workplace safety, benefits, available funding, and special status. They also need to know about status relative to the various state agencies, and the status of their transactions with these agencies. Businesses need to be able to place requests for assistance and to receive assistance. The eBusiness Center portal must provide capabilities to meet these needs. The Information/Customer Service shared portal application is aimed at providing this type of functionality independently of any specific G2B transactional process.

However, for each eBusiness Center portal application that provides a specific G2B transaction, information and customer service requirements specific to that transaction will need to be built into that process. Businesses need to be able to determine the status of transactions in progress, such as the status of a submitted licensing application for a health care facility. They must also be able to determine the steps involved in the process and where in the process their transaction has reached. The portal must also support the ability to notify businesses of deficiencies or issues in their submitted material that result in delayed processing and should provide a mechanism for business to remedy these deficiencies by submitting clarifications or additional information.

Transaction related capabilities such as implementing the means to address customer-specific status queries should be done first because they are most critical and beneficial to the businesses. Standard static information and search and retrieval capabilities can be provided in later iterations.

Figure 33. Information/Customer Service Priority Processes

INFORMATION / CUSTOMER SERVICE		
AGENCY PROCESS	PROCESS NAME	ANNUAL VOLUME
TARGET		
DFEH # 2	Information / Customer Service	112,600
HCD # 11	Formal / Informal Title Search	37,767
HCD # 13	Title Search Log Review	N/A
PURSUE		
DIR # 10	Information Request and Assistance for Division of Labor Statistics and Research (DLSR) Reports	100,000
DMV # 3	Occupational License Accountable Inventory Process	9,300,000
DTSC # 7	Information Requests (Information / Customer Service)	16,000
FTB # 10	Tax Forms Distribution	N/A
FTB # 11	Information / Customer Service	857,500
SOS # 2	UCC Filings – UCC 3	121,216

### Initial Set Up

Initial Set Up includes those processes associated with first establishing a business with the State of California. These are typically activities provided by EDD, FTB, BOE and SOS. After registering with the SOS, a business may register with EDD and BOE concurrently. FTB needs only to be notified of the business entities' registration to facilitate its outreach to them for taxation.

Outputs of specific agency registrations are generally inputs for other agency registrations (e.g., registration with BOE might require documents or identification numbers provided to the business entity as a result of registering with SOS). Additionally, the type of data collected during these different agency registrations is similar. The eBusiness Center portal offers the opportunity to coordinate this series of registrations into one unified registration for the business. Not only can it simplify the process for the user by bringing these together into one process, but it can also improve the coordination across the agencies and improve the completeness, accuracy, and consistency of the information provided to the agencies. This would significantly reduce the time and expense required for both businesses and state agencies to register a business in California.

Another improvement would be to incorporate notices, or trigger other registrations, to other agencies not directly involved in Initial Setup, based on the types of business activities that the business intends to undertake.

This could provide significant added value to the business as there are cases where businesses are unaware of requirements to register with other agencies or where businesses have to request duplicate copies of registration documents to submit to other agencies.

For the implementation of Initial Set Up, the EBO should select the agency that is most Internet ready, both in terms of supporting systems and ability of the agency process to accommodate an Internet channel at the time. Other agencies that need to receive notice of registration should be identified and incorporated as well.

**Figure 34. Initial Set Up Priority Processes**

INITIAL SET UP		
AGENCY PROCESS	PROCESS NAME	ANNUAL VOLUME
TARGET		
BOE # 1	Taxpayer Registration	260,238
BOE # 3	Online Registration	N/A
BOE # 5	Closeout	200,000
EDD # 1	Employer Registration	127,000
SOS # 3	Corporations Filings	180,000
SOS # 5	LLP / General Partnership Filing	299,373
PURSUE		
FTB # 6	Suspension Process	50,185

## Taxation

The tax processes (EDD, BOE, FTB) examined during the Business Process Review are very similar. Additionally, processes such as CDI or CORP tax assessments vary little from the traditional tax processes. All these processes include some form of payment, pre-payment, or deposits and usually some form of reconciliation through a tax return. Business entities pay with different frequency depending on the relevant tax payment schedule – monthly, quarterly, semi-annually, and annually are typical. Tax processes may also include collections and filing enforcement.

The eBusiness Center portal may best serve customers by implementing the payment and returns filing processes. It may also implement notification, status information, refund elections, and some outreach related to taxation.

The early iterations should address the core agencies for taxes – BOE, EDD and FTB – as these are more relevant to the entire customer base whereas the non-core agencies, CDI and CORP, and their processes can be addressed in later iterations. Final returns and other closeout activities

should be reviewed to determine whether a decision to postpone their implementation is appropriate.

**Figure 35. Taxation Priority Processes**

TAXATION		
AGENCY PROCESS	PROCESS NAME	ANNUAL VOLUME
TARGET		
BOE # 2	Filings and Payments	3,490,712
BOE # 4	E-Filing	N/A
FTB # 1	Filing Process	6,168,000
FTB # 4	Collections	701,772
PURSUE		
CORP # 2	Annual Assessments and Reports	13,019
EDD # 4	Annual Reconciliation	925,000
EDD # 5	Tax Payment (DE 88)	9,700,000
EDD # 6	Employer Billing	1,500,000
FTB # 2	Filing Enforcement	50,000
TTCA # 2	Tourism Assessment Program	10,000

## Claims and Funding

Claims may be filed against generally available funds (e.g., environmental clean-up funding) or against specifically set aside funds (e.g., wage insurance). The basic nature of claims processing is similar regardless of the type of funds. A claim must be filed for some amount of funds and must be supported by information to demonstrate its eligibility.

Similar to Claims is Funding. State and Federal funds are from time to time made available through loans or grants processes, to California businesses. These are used to foster economic, community or housing development in keeping with the targeted purpose of those funds. Businesses may apply for funding under these programs and demonstrate their eligibility for these funds. The rules governing these funds vary with each program. Business may be required to qualify on a non-competitive or competitive basis depending on the program. Typically the state enters a business partnership with successful awardees under these programs.

The eBusiness Center portal has the opportunity to address both Claims and Funding in a shared way. Additionally the eBusiness Center portal can support the flow of information in processing a claim, such as requests for information verification in relation to Claims (e.g., wage verification, clean-up plan verification, or suggested changes) and notifications (e.g., for employers). Similarly it can also support steps in Funding such as the initial notification of funding availability, communications to clarify the contents of submitted proposals, and

ongoing reporting to ensure that program goals are being met. The eBusiness Center portal could potentially support claim payments and disbursement of funds as well.

**Figure 36. Claims and Funding Priority Processes**

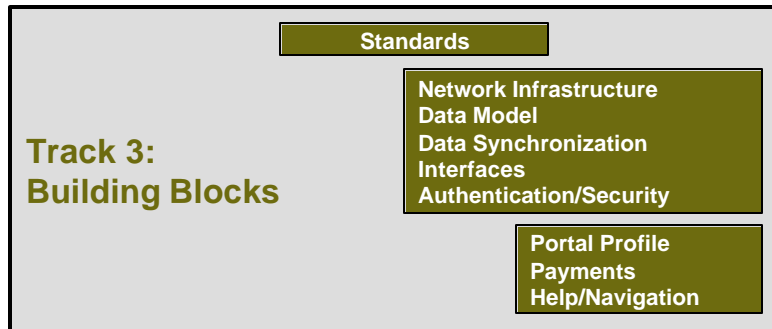
CLAIMS		
AGENCY PROCESS	PROCESS NAME	ANNUAL VOLUME
TARGET		
HCD # 4	Issuance of Notices of Funding Availability (NOFA) and Requests for Proposals (RFP)	3,140,000
PURSUE		
EDD # 10	Disability Voluntary Plan Claim	36,000
EDD # 11	Disability State Plan Claim	690,000
EDD # 12	Treating Physician's Response	690,000
EDD # 13	Employer Notification	690,000
EDD # 15	Unemployment Claims	2,400,000
EDD # 16	Notice of Unemployment Claim Filed	2,400,000
EDD # 17	Notice Response to Notice of Claim Filed	560,000
EDD # 18	Employer Request for Ruling	157,000
EDD # 8	Employer Wage Protest	100,000
EDD # 9	Benefit Audit	1,500,000

#### 4.2.3. Track 3 – Building Blocks

The building blocks, or basic system functions, are the common enablers for implementing the business functionality of the eBusiness Center portal. As with any systems development approach, the long-term eBusiness Center portal development effort must first build fundamental infrastructure to be used as common resource for later construction of shared portal applications. Typical building blocks are depicted in **Figure 37**. These basic capabilities must be created and tested before any significant investment to develop shared applications in Track 2 begins. Below **Figure 37** is a discussion of some of the building blocks that may be anticipated for the eBusiness Center portal project. However, this discussion only identifies some of the needed building blocks at a high level. The EBO will need to combine this strategy with more specific recommendations on portal design.<sup>12</sup>

<sup>12</sup> The EBO contracted with Deloitte Consulting to make recommendations on design for the G2B side of the portal. PwC's discussion of technology only acknowledges the need to develop the information technology building blocks in tandem with ongoing pilot projects to successfully develop the shared applications in Track 2 of this strategy. PwC does not recommend any specific solutions.

Figure 37. Track 3 – Building Blocks



### Standards

The eBusiness Center portal will work with systems belonging to multiple state agencies. Setting standards early in the development process will provide the ability to work with these different agencies in a uniform and commonly understood way. These may include:

- eBusiness Center Portal Operations – what level of intelligence to embed in the eBusiness Center portal, how to define and implement business rules for different processes, what types of operations will be carried out at the eBusiness Center portal rather than in the backend systems for each process type
- eBusiness Center Portal Architecture – implementation of shared code, standards for communicating with different systems on different platforms
- eBusiness Center Portal Interfaces – inter-systems communications, input/output methods and formats
- User Interface – for small business and large business considerations, individual, individuals' roles within business, workflow within business, use of multiple languages, ADA requirements, bandwidth
- eBusiness Center Portal as Proxy for a Specific Agency – eBusiness Center portal as proxy for specific agency, eBusiness Center portal as proxy for multiple agencies
- Acknowledgement vs. Acceptance – sources and types of acknowledgements, sources and types of acceptance
- Status Information – bi-directional updates of process status to allow business to see consistent view of process regardless of channel

### **Network Infrastructure**

The state's network infrastructure needs to facilitate connectivity between the eBusiness Center portal and each agency's backend systems. The state's wide area network (WAN) and each agency's internal local area networks (LAN) and WAN (for those agencies that have one) are therefore key building blocks to the successful implementation of the eBusiness Center portal. Existing network designs for both the WAN and LANs should be reviewed to ensure that all essential systems included in the eBusiness Center portal's strategy are accessible to it. Identifying network infrastructure improvement needs early is an important aspect of project planning. Any necessary improvements could then be implemented in time to meet the requirements of eBusiness Center portal development and deployment.

### **Data Model**

The eBusiness Center portal will need to integrate information derived from different backend systems. Each system's data were originally modeled to suit the needs of that agency and its processes. A data model can bring these disparate views of the customer together through a conceptual design of these data items and their relationships.

The eBusiness Center portal has the unique task of working with slices of data from these different views, as determined by the state's information sharing policies, and effectively combining these slices to support and guide its intelligent decision making. To implement a eBusiness Center portal that is intentions-based and customer-centric, the development effort must carefully craft a data model that integrates all the information needed for representing what the eBusiness Center portal knows about the business. In addition, the data model can recognize and incorporate the need for resolution of data conflicts where business data are not synchronized from agency to agency. There is also abstract data related to the processes rather than the customer.

For the portal to implement a shared approach to process management for the business, the portal needs information about the processes, the inputs they require, the outputs they produce, and how they relate to each other.

### **Data Synchronization**

Synchronization is a set of techniques to deliver new data or updates to existing data from one point to all necessary destinations within the extended enterprise system. An external source may send new data or update existing data through the portal application to an enterprise application. Since the state has multiple databases used by multiple physical applications, the update needs to be relayed to all the



applications requiring the incoming data. The data could be relayed immediately or at a scheduled time (e.g., on an hourly, daily, or weekly update). Collecting access, timeliness, and processing requirements for each process and for all data that flow in and out of each process will allow the state to determine the best approach to synchronization.

Multi-channel synchronization is also important. A single operational data store that can be accessed through multiple customer channels (web, desktop PC, telephone customer service representatives, etc.) will serve businesses most effectively in the long term. Until that can be achieved, however, the state can develop interfaces that allow the eBusiness Center portal and the existing back-end systems to share status. That is, if a change is made to data based on input from a form mailed to the agency, notification of that change should be sent to the eBusiness Center portal. At the same time, a change at the eBusiness Center portal should be communicated to the backend systems. The synchronization needs to be bi-directional.

### **Interfaces**

Portal interfaces are expected to be bi-directional: allowing the portal to send data and transactions to the backend systems and to receive data, status information and other information, such as business rules, from the backend systems. To support this bi-directional exchange on the portal side, generic interfaces for particular G2B process types can be constructed and then refined to meet the constraints of specific backend platforms and systems. It is likely, however, that the interface components on the backend systems' side will have to be more specific to the both the platform and the applications involved. Some of these are mainframe applications and some are client-server applications. In some cases, a single transaction process may directly affect multiple backend systems.

### **Authentication/Security**

Authentication has to do with verifying that the source of any transaction, data, or information, is indeed who it says it is. Security has to do with preventing unauthorized access to processes, data, or information. In the context of the portal, authentication and security relate to ensuring that only authorized individuals carry out transactions on behalf of any business entity, or have access to the entity's data and information. Information integrity, confidentiality, and other related issues are key to the success of the project.

The portal security model should be designed and developed early in the project, and in fact, the state has already begun to develop standards for security. The portal must be able to identify the individuals attempting to work with it. Usernames, passwords, PIN numbers, digital signatures, digital certificates, third-party certifiers, public/private key mechanisms,

secured connections and other security and authentication devices are all potential solutions. At the process level a determination also has to be made of when in the process security and authentication are important and in what way they are best integrated into the process.

As the security model is further developed, the state must be careful that the security model reflects the appropriate levels of security commensurate with the information exchanged for G2B transactions.

### **Portal Profile**

Different approaches to how individuals work with the eBusiness Center portal are possible. The portal must know some of the key things that are important to identifying individuals and their relationships to business entities, as well as for facilitating cross-agency work. Some basic information can be kept over time so that the user does not need to repeatedly provide it and so that the portal can make its behavior specific to the individual and what the individual wants to do.

### **Payment**

Today, different agencies have different policies about what types of payments are accepted, and they work with different credit card companies and banks in processing payments. Strategic planning should be done to standardize the data collected for payments across agencies to provide a common look and feel for all businesses.

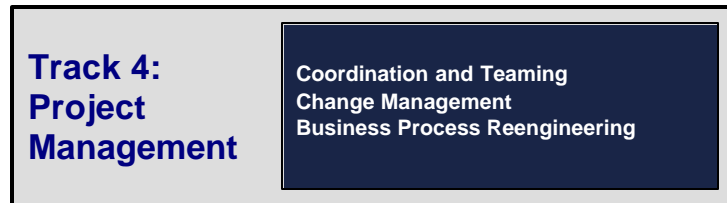
The portal cannot mandate that all agencies adopt a standard for payment, but it could create a common payment “look and feel” for all agencies to use. Businesses would benefit because they only have to learn how to make payment one way for any transactions with the state.

### **Help/Navigation**

The portal will be most effective if businesses have access to online assistance with navigating the portal and the particular processes. For example, the portal determines the user's needs for a particular session by asking a few questions to determine what the user wants to do and then providing the right functionality accordingly. This might require that the portal implement a rules-based or knowledge-based foundation that allows it to figure out what functionality is necessary based on the user's profile and the indicated task. In addition to selecting and customizing functionality to meet the user's intention or need, there will be a need for process-specific help to walk the customer through a process.

#### 4.2.4. Track 4 – Project Management and Organization

Figure 38. Track 4 – Project Management



This implementation strategy presents an ambitious mandate for the State of California. The results of this review, when combined with a clear understanding of businesses' needs and a vision for technical design, provide the necessary components for a long-term strategy that must be carefully managed.

Track 4 is project management, which is key to the success of the project. Project management is the art of balancing quality, risk, scope, and resources. PwC best practice research indicates that the essential keys of successful project management fall into two broad categories: those that project management can directly control and those that, while not under a manager's direct control, can be influenced.

For project management, the directly controllable keys are scope, team, and work and schedule. These factors are inherently part of the project and represent its *content*. The keys that are not under direct control are part of the *context* of the project. They include stakeholders, business benefits, risks, and delivery organization benefits.

**Scope** should be realistic and managed. This requires project managers, team members, and stakeholders to agree on the boundaries of the project and amend them if needed.

Project managers must identify, mobilize, and develop the people required for the project **team** for continued development of the eBusiness Center portal. This includes obtaining and maintaining appropriate space, equipment, and other resources required to successfully complete the project.

**Work and schedule** should be predictable. This means controlling the production and acceptance of project services and deliverables, and ensuring their provision to specified performance and acceptance requirements.

While **stakeholders** are not under the direct control of project managers, the project should identify, evaluate, inform, and influence the individuals and groups who are affected by or who influence the development of the portal.

**Business benefits** refers to the benefit businesses will realize as a result of the development of the eBusiness Center portal. This includes the expected value to the business, both financial *and non-financial*. To ensure that benefits are realized, the benefits must be measured and monitored. This is reflected in the Governor's Executive Order D-17-00, which directs state agencies to: "identify the population served by [their] services, and include a description of current or planned systems to measure the level of customer satisfaction with the identified services" in their proposed eGovernment implementation plans to be submitted to the Director of eGovernment.

**Risks** are inherent in any major undertaking such as the continued development of the eBusiness Center portal. The goal of the EBO should be to identify and evaluate risks and issues, and develop avoidance, mitigation, and resolution activities to counteract those risks and issues.

**Delivery organization benefits** are the benefits to the state from implementing the eBusiness Center portal. Examples include process redesign and improvement and systems enhancements within agencies. The EBO should monitor and highlight the benefits that accrue to the state from the project to maintain enthusiasm among state agencies for the project.

#### 4.2.4.1. Coordination and Teaming

To further develop the portal, the EBO will need to coordinate with multiple agencies and likely form teams to address specific pieces of development. People who participate in the project should have:

- Mutual accountability
- Useful process, functional, or technical experience or knowledge
- Sufficient bravery to espouse (and change) ideas and positions
- Credibility with others and the larger organization
- Thought leadership
- An out-of-the-box or change-agent style of thinking
- Goal orientation and a bias for action

The cooperation and participation of state agencies can help the EBO be most effective as it continues to work on ongoing pilots, develops basic supporting technology building blocks, and develops shared portal applications. Coordinating with other agencies can also be valuable for managing communications and stakeholders.

#### 4.2.4.2. Change Management

The eBusiness Center portal concept must be communicated to state leaders, employees, and businesses. The factors that influence the success or failure of a major change project often have less to do with the technical aspects of the project than with its organizational and human elements. Key elements that should be considered for any major change project are listed below.

##### **Effective program management**

The EBO will need the capability to plan and control multiple, interdependent projects. The EBO should have the authority to allocate resources and resolve project conflicts. The leadership of the EBO must have the authority to define project goals, secure resources, and resolve organizational and priority conflicts.

- **Strong support from the e-government champion.** The champion must be committed to ensuring the successful implementation of the e-government strategy and in the specific projects that implement that strategy. The champion must be actively involved when needed.
- **Clear goals and specific performance targets.** The eBusiness Center portal must have clearly defined goals that can be measured against specific performance targets. The targets should represent tangible benefits to businesses and provide a means to determine project success or failure.
- **Skilled and diverse management team.** The management team for the portal project will have to bring disparate state agencies together to achieve a common goal. Different managers may bring different skills to the project. Some may be skilled at working within the state environment and with many different agencies. Others may be familiar with complex IT implementations. The people managing the different aspects of the project can work together to manage the whole project most effectively.
- **Availability of resources.** A sufficient number of qualified people with relevant skills must be available when needed.
- **Frequent milestones.** Achieving milestones helps to ensure proper project direction, demonstrate progress, and control scope. Achieving demonstrable milestones frequently, as the project has done to date, will help to maintain momentum and enthusiasm.

##### **Sponsorship**

The Director of eGovernment is the sponsor for the eBusiness Center portal project. The Director of eGovernment sets the direction and tone for the project; the EBO implements it. The project should be aligned with

other e-government initiatives for Government to Consumer, Government to Government and Government to Employee services.

### **Stakeholder Management**

The stakeholder community with an interest in the state's development of the eBusiness Center portal is influential. This creates challenges in ensuring stakeholder acceptance of change. The state should make an effort to characterize the level of support and influence of its eBusiness Center portal stakeholders. Based upon that analysis, the state can secure the support of those stakeholders who can effectively promote this change, and manage the impact of those who can impede change. For the eBusiness Center portal, business leaders across the state are key stakeholders.

There are effective change agents within the state who are currently spreading the new state Internet vision. There is room for more. The EBO can garner more support for the project by reviewing its internal constituencies, attempting to establish change agents within those constituencies, and then actively involving those change agents in implementing the new functions and organization.

### **Communications Planning**

Communication is fundamental to creating change. The goal of managing the communications process is to foster a sense of direction and enthusiasm for that direction among change participants internally and build a sense of awareness about the project externally. The keys to effective communications are simple. Communications should be honest, relevant, and well sustained.

### **Knowledge Sharing and Training**

Large-scale change projects create demands for new skills to meet new situations. Sharing knowledge and personnel among state agencies is an important means to develop new skills and disseminate insight. Formal lessons learned projects should be completed to document each agency's experiences, and that information should be shared between agencies.

Training can take on a number of different forms with the most widespread being the teaching of a specific skill. Another form of training that is often important in a major change project is the teaching of more general interpersonal and/or management skills. The efforts of the EBO, as it develops a customer view and integrates new G2B transactions into the eBusiness Center portal, are likely to change the nature of the work carried out by many individuals. Training is an opportunity to educate staff about changes that have evolved throughout the implementation. Attention should be paid to providing staff with the skills necessary to take effective advantage of the functionality that this change will offer them.

#### 4.2.4.3. Business Process Reengineering

PwC understands that one of the goals of the eBusiness Center portal project is to bring new G2B processes into the eBusiness Center portal quickly. Requiring participating agencies to significantly change existing processes and systems prior to implementing eGovernment initiatives could increase the time taken to implement processes on the eBusiness Center portal. This would delay getting services to the business customers, especially in the short term.

Incorporating existing "As-Is" processes into the eBusiness Center portal may be viable for pilots in the short-term strategy. Nevertheless, in the long-term, there are significant risks to implementing the eBusiness Center portal without improving the backend processes. Foremost among these risks is customers' expectation that conducting transactions on the Internet will result in greatly improved service or reduced processing time over traditional channels.

Adapting cutting edge technology without improving operational procedures, policies and systems does not address underlying problems that may exist within state agencies' processes. If efficient and effective business processes are not in place, customer satisfaction will not improve solely as the result of placing the transaction online. The EBO should keep in mind the Governor's Executive Order D-17-00 (September 8, 2000) which asserts that adopting new information technologies will serve to improve existing processes: "The coordinated development of eGovernment will act as a catalyst to reengineer current practices and aid state agencies and departments to design better ways to provide government services."

**Figure 39. Examples of Coordination of IT and BPR**

<b>BUSINESS PROCESS REENGINEERING</b>	
<b>Alaska</b>	– The state has found that technology projects are more likely to be successful when a comprehensive business process assessment has been done.
<b>Pennsylvania</b>	– Ongoing business process assessments are conducted as part of a statewide reinventing government program.
<b>Washington</b>	– IT projects are byproducts of quality improvement efforts, which entail business process assessments.
<b>Wisconsin</b>	– BPR is done at the enterprise level. Departments are required to do strategic planning that entails business process assessments.

*Source: Little Hoover Commission*

## 5. Other Issues

The potential to simplify and streamline the way businesses interact with the state is enormous. Agencies and businesses that participated in this project recognize these possibilities. They also identified many areas of concern that might impede the success of the eBusiness Center portal. This section discusses the issues identified by the agencies and businesses as important to the overall success of the eBusiness Center portal. California is not unlike other state and local governments that are grappling with many of these same issues.

PwC recognizes that the EBO does not currently have the staff or resources to address these issues. However, as part of the long term strategy, the state can begin to develop an understanding of these issues and how they will affect implementation of the eBusiness Center portal, as part of the state's larger my.ca.gov portal effort.

### 5.1. Process

#### 5.1.1. Information Compilation to Support eBusiness Center Portal Development

*Issue:* Agencies identified the need to develop a common language across agencies to document existing business processes.

*Discussion:* Currently, no single method is used to document process information across the state. This results in agencies not being able to easily understand how they might share information, thus making the creation of an enterprise framework more difficult. Some of the types of information that could be documented in a standardized way include:

- Process identification: name, owner, description, supporting systems, processing times
- Business inputs and outputs: customer identification, required forms, supporting documents, document authentication, fees
- Cross agency inputs and outputs: status verification, shared data
- G2G (state-state, state-local, state-federal ) inputs and outputs: reference data, shared workload process data, status verification,
- Third party outputs: verification of status, notices

Because portals promote integration of processes and transactions across multiple organizations, analysis, development and design will require significant cooperation and knowledge-sharing. Information technology best practices say that uniform data standards help to promote information sharing across organization boundaries.



### 5.1.2. Authentication of the Business

*Issue:* The portal will need a way of identifying a business or its surrogates who are allowed to act on its behalf.

*Discussion:* As businesses are allowed to conduct transactions on the web and file information through the portal, a specific mechanism for authenticating the business entity will need to be identified. Various representatives within the business may have authority to conduct transactions or file information on behalf of a business entity. Additionally, the person completing the application or filing for a business may be someone different than the person who has authority to make legally binding decisions for the business. To be business-centric, the portal should make accommodations and seek to mirror as closely as possible the way that businesses currently operate in order to ensure its utility.

Consideration has to be given to how the eBusiness Center portal would impact the workflow within the business and how these activities could be accomplished on the eBusiness Center portal with minimal disruption to the business' existing processes.

Because there are as many types of business workflows as there are businesses, this issue will be **very difficult** to tackle for the eBusiness Center portal. The state needs to consider businesses as entities and be able to authorize individuals within these businesses for certain transaction and interactions with the portal.

### 5.1.3. Information Stewardship

*Issue:* Implementation of the eBusiness Center portal requires addressing data ownership and maintenance.

*Discussion:* Many agencies maintain similar information about the businesses they serve. At this point, there is no single designated keeper of that information. That is, if an address change is submitted to EDD, EDD is under no obligation to pass that to FTB. Similarly, agencies have no authority to take one agency's information as primary over another's. Some changes to shared data may not be relevant to all agencies and consequently issues of replication of changes based on business need must be carefully evaluated. Information currency is a pre-requisite for the customer to be able to use any of several channels to make changes to the information. Understanding what limits there are in the type of information that may be provided by one agency to another will help to address this issue.

Web-enabled processes may result in increased update frequency. Systems that were built to perform batch updates with a lower frequency than would meet business expectations in an Internet environment might

result in customer dissatisfaction. That is, in the mainframe environment, updates to records may be processed once or twice a week. Web users develop an expectation that updates occur immediately. Depending on the capability of the systems, it may not be possible to increase the frequency of batch processes. At the same time, synchronization of systems operations across the agencies would add its own complexity.

## **5.2. Technology**

### **5.2.1. Infrastructure**

*Issue:* Web-enabling G2B processes may have impacts on existing technology infrastructure.

*Discussion:* Some existing systems, such as some mainframes, that support G2B processes function in isolation and were not constructed to communicate with others. As a result, presenting the customer with consistent information regardless of channel may require system changes. Other existing systems were not developed to accept input from the web channel and may require transforming backend process to accept and provide information to the new channel. These changes might require developers to undertake enhancement or new construction for existing systems. Because the new channel requires web interfaces, some state staff will need to be familiar with new tools, techniques, protocols and paradigms.

As part of the state's on-going portal development, the state is beginning to address some of these infrastructure issues. In fact, the Governor's Executive Order D-17-00 requires that "State agencies and departments shall, to the extent practical, integrate new and existing Internet applications into the State portal's software and network architecture."

## **5.3. Policy Considerations**

### **5.3.1. Information Confidentiality**

*Issue:* Information confidentiality restrictions are inconsistent across agencies, as set out by laws and regulations.

*Discussion:* Today, businesses are often required to supply information from one state agency to another agency. This frequently requires a business to request a duplicate certified copy from one agency to provide to the second. With a business-centric approach to the eBusiness Center portal, businesses could be relieved of this extra step.

One concern that agencies cited regarding sharing this information directly was a need to maintain confidentiality, as set out in laws and regulation. However, cross-agency focus group participants noted that these restrictions are inconsistent. Based on the focus group discussions,

information that is considered confidential in one agency is not confidential information in another. Although creating consistent information sharing policies will be a difficult and not short term project, the greatest benefits to the customers will be lost until there are consistent information confidentiality policies.

At the Federal level, this issue is being addressed by the creation of a task force to examine information confidentiality issues. The state might consider this option. In all probability, revision to regulation, policy, and in some instances law, will be necessary to make these determinations.

### 5.3.2. Requirements for Hard Copies of Documents and Notices

*Issue:* Today many agencies are required by law or regulation to provide hard copy or notices and other documents.

*Discussion:*

In completing an application or filing information with the state, regulation or law often requires the business to submit original hard copy documentation. For example, some licensing agencies require the business to submit certified copies of articles of incorporation along with its application. Several agencies noted that their regulations and laws required them to send hard copy notices for renewal or notification of incomplete applications. Additionally, once a license or certification is issued, law may also require the agency to send a hard copy license that has a state seal or is created on watermarked state paper. These measures are generally in place to provide assurances that the required reports or documents are not forgeries.

The Uniform Electronic Transaction Act (SB 820, 1999) provides that if both parties to a transaction agree that an electronic document is considered valid, it can substitute for a paper document.<sup>13</sup> However, there is some debate within the state as to whether additional changes to laws that govern individual agencies are needed or whether administrative rulemaking can make changes to certify that the state considers the electronic document valid. Agencies are looking for guidance about how they can allow for valid electronic two-way transfer of information. As state agencies move toward allowing electronic filing, they must be careful to implement the level of security and authentication that is appropriate and consistent with their business need.

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<sup>13</sup> The state of California adopted the UETA prior to the federal adoption of “e-sign” legislation in 2000. State Senator Sher has introduced SB97, which will update California’s UETA and make it conform with federal legislation.

### 5.3.3. Accessibility

*Issue:* Agencies are concerned that the portal provides access for all types of businesses.

*Discussion:*

The term accessibility refers to the ability of a user with a disability to access and receive value from the eBusiness Center portal. The Americans with Disabilities Act (ADA) of 1990 defines guidelines and provisions for accommodating the disabled with respect to access to public areas and information. The ADA addresses the issue that handicapped or impaired persons have the right to equal access to all places and information that are opened to the public. In the creation of the G2C portion of the state portal, the state developed and established guidelines for persons with disabilities. The guidelines have been certified by the Accessibility Center of Excellence. The eBusiness Center portal should also follow these same guidelines.

California is a diverse state where many citizens speak languages other than English. For this reason, cross-agency focus group members identified the need to examine the costs and benefits of whether the state eBusiness Center portal could provide services in more than one language. Several state agencies currently provide forms in PDF format in multiple languages. As these forms become interactive, agencies must assess the feasibility of providing them in multiple languages. It may be impractical to provide each individual with web-access in his/her own language.

Additionally, since much of the state information available online refers to laws and regulations that must be certified as correct, human translation is required. However, using human translation may be cost prohibitive. Agencies should, in their internal eGovernment planning efforts, begin to consider how their systems should be developed and maintained should it be necessary to provide more than one language. For example, the use of a content management system may help an agency keep track of various versions of the site in multiple languages.

The eBusiness Center portal will aggregate thousands of agency-developed HTML pages and shard application, and in such cases it is not feasible to manually translate the pages. The eBusiness Center portal will have to rely on agency consideration of this issue to determine what should be available in multiple languages.

#### 5.3.4. Payments

*Issue:* The state does not have a common “look and feel” for payments.

*Discussion:* Businesses are used to paying by credit cards for purchases online and may expect the state to support this same payment mechanism. From the perspective of customers, a consistent credit card acceptance policy will best enable the portal to meet customers’ needs. The development of a standard payment “look and feel” will benefit agencies and customers. This is recommended as part of the building blocks for the portal.

While much focus on making payments over the Internet has been on credit cards, a potentially less expensive alternative exists for agencies. A few agencies are already accepting electronic fund transfers (EFTs) through Automated Clearinghouse (ACH) debit. The agencies already using ACH debit recommend this method. As in the case of credit cards, no standard look and feel for accepting these payments online exists in the state. Additionally, businesses that are used to paying for state services via check can continue to pay out of their direct deposit accounts (checking accounts). However, more research should be done to determine how customers prefer to pay for transactions with the state before significant investments are made in any system.

#### 5.3.5. Lack of Skilled Agency IT staff

*Issue:* Agencies are concerned they will be unable to attract and retain qualified IT staff.

*Discussion:* Focus group participants noted that the restrictions on job classifications and the state salary structure are hampering the state’s ability to hire and retain sufficient qualified IT staff for technology projects. Agencies also expressed that existing staff are spread too thin in many agencies.

**The Department of Information Technology, the Department of Personnel Administration and the State Personnel Board shall work in partnership to develop methods to address the recruitment, retention, training and personal development of information technology professionals.**  
– Governor’s Executive Order D-17-00

Their concerns are echoed in the Little Hoover Commission Report “Better.Gov.” According to this report, other states are experiencing some of the same concerns and have taken various approaches to address some of these issues. For example, Kansas rewards state employees who refer IT workers. Pennsylvania created new IT job titles, conducted a survey of market salaries and raised IT salaries 15%. Wisconsin created

discretionary awards to raise salary levels to compete with external offers.<sup>14</sup> California is working to address this issue, and in May 2000 the Department of Finance noted that some agencies were reporting more success in filling hard-to-hire classifications than they had during the 1998-1999 budget year. While noting that they did not have hard data, DOF cited anecdotal information that recent pay raises and implementation of pay differentials seemed to be of help in this matter.<sup>15</sup> There is also an on-going pilot in the Health and Human Services Data Center (HHSDC) to fast track recruiting and hiring technology staff.

#### 5.3.6. Budget Process

*Issue:* Agencies expressed concern that the State budget cycle planning horizon is overly long.

*Discussion:* Presently, agencies must identify a need to be addressed through automation at least 18 to 24 months before they expect to have a vendor in place, due to the budget and procurement processes. As agencies look toward implementation of the eBusiness Center portal, they recognize that the changes in technology that may occur before they obtain funding may render their solutions obsolete. For the eBusiness Center portal to be successful, a coherent approach to funding and working with individual agencies to ensure that the eBusiness Center portal is put in the context of overall budget business needs is needed. One approach may be an alternative funding mechanism for the eBusiness Center portal development, such as setting aside a pool of money controlled by the Director of eGovernment or an Interagency Review Board.

### 5.4. Customer Issues

#### 5.4.1. Need for continuous business input

*Issue:* The state should continuously survey businesses to ensure that the government is providing eBusiness services the public wants.

*Discussion:* As was noted in Section 2, California has gone further than any state identified by surveying a representative sample of 1,000 businesses. This initial survey is an excellent start. However, California cannot become complacent after the completion of its initial survey. As the recent Legislative Analyst Report on "E-Government in California" notes, "In order for e-government to be effective, the state needs to provide e-government services that the public wants and finds valuable."<sup>16</sup>

<sup>14</sup> "Better.Gov, Engineering Technology-Enhance Government", Little Hoover Commission, November 2000.

<sup>15</sup> "Report on Vacant Positions: May 2000", Department of Finance, May 2000.

<sup>16</sup> "E-Government" in California, Providing Services to Citizens Through the Internet, An LAO Report, January 24, 2001.

The Governor's Executive Order (D-17-00) calls for customer satisfaction surveys of planned systems. Continuous quantitative and qualitative discussions with businesses are needed to ensure that priority for developing online government services to businesses are determined by the businesses rather than agencies vying for limited budgetary funding.

#### 5.4.2. Business Culture

*Issue:* Businesses lack confidence in the state's ability to keep information confidential.

*Discussion:* Businesses in our focus group and cross-agency focus group members identified that some businesses do not trust the state. The UCLA preliminary survey results also support this.

In order for the eBusiness Center portal to be successful, customers must migrate from their traditional channels – in-person and mail – to the Internet. The state has already adopted a formal privacy policy which is the right first step. Throughout the implementation of the portal, there should also be independent reviews to assess the completeness and effectiveness of this policy. The reviews should be conducted on a periodic basis and after a significant change to the eBusiness Center portal baseline. Encryption should also be used to protect the privacy of information during the transmission and storage of customer information handled by the eBusiness Center portal. As part of the campaign to migrate customers, customers need to understand the benefits from using this new channel.

*Issue:* Some businesses lack access to the Internet.

*Discussion:* Small business users may not have access to computers, or to computers with enough speed or bandwidth to make using the Internet channel worthwhile. According to the U.S. Small Business Administration, approximately 85 percent of U.S. businesses with fewer than 100 employees are personal computer users, and over 61 percent of them have Internet access.<sup>17</sup> That means that almost 40 percent do not currently have Internet access.

All businesses can benefit from online transactional services. Web-enabling services can result in improvements to backend processes. Businesses will benefit from these improvements regardless of the channel they use. In addition, the more businesses can use the portal for self-service, the more time state employees will have to serve business constituents through other existing channels. Corporations and governments alike are using this migration of a portion of their customers

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<sup>17</sup> U.S. Small Business Administration, Office of Advocacy, "Small Business Expansions in Electronic Commerce," June 2000.

to the web as an opportunity to improve the quality of service in traditional channels.

The eBusiness Center portal should be considered an additional channel for accessing the government, not a replacement channel for current customer contact points. Systems that are designed for the eBusiness Center portal should also take into consideration other channels such as telephones, kiosks, and personal digital assistants (PDAs).

*Issue:* Some businesses prefer human interaction.

*Discussion:* While some businesses are comfortable conducting transactions on the Internet, others may not be. Additionally, at any point when a customer has a technical problem with an online application, he or she may want access to a person to try to identify and fix the problem. This need for human interaction should be addressed in the long term portal strategy.

The state is early in the development of web channel applications and so it is well situated to build applications with multi-channel user interfaces so that no matter how a customer chooses to do business with the state, available information is consistent.

*Issue:* The State needs to manage customer expectations of the eBusiness Center portal

*Discussion:* With the exception of a few straightforward and simple processes, G2B services are largely complex processes. Managing user expectations for processing times, by being proactive and providing the processing time to the business with each transaction as well as being able to provide an explanation of the process flow, will greatly increase customer benefits. Additionally, the eBusiness Center portal can implement a philosophy of managing the process over time for the business, and notifying the business of critical events in the process flow as they occur, perhaps through e-mail. Best practices in customer relationship management say that communication with customers is critical. If the eBusiness Center portal can tell a customer approximately how long the turnaround is for an application, the customer will be more satisfied.

The challenge for the eBusiness Center portal is to manage the business' expectation of processes when Internet enabled. Processing times are likely to remain about the same if no other changes are effected. While this is not in itself unacceptable or an obstacle to Internet enablement in most cases, consideration must be given to guiding the business to a realistic understanding of the processes and their processing times.



#### 5.4.3. "No Wrong Door" Portal

*Issue:* Some customers may prefer to interact directly with an agency website, rather than through a eBusiness Center portal.

*Discussion:* The state has developed and published a style guide for branding that provides a "common look and feel" for all agencies that are linked to the state's my.ca.gov portal. As this single look and feel is implemented across the state, branding should be the same for agencies or for the portal. Some customers may choose to bookmark an agency site and go directly there to do business with the government. To achieve the greatest benefit to customers, the eBusiness Center portal developers should make the same applications available for businesses through the eBusiness Center portal and the agencies' sites. By implementing a "no wrong door" approach to the eBusiness Center portal and agency web sites, customers can choose their preferred location for accessing the business transaction.

*Issue:* A common look and feel across the eBusiness Center portal and agency website may give businesses false sense of the level of integration.

*Discussion:* Through the development of the "My California" home page, the state has made great strides in developing the "look and feel" for the eBusiness Center portal that will be the standard for all eBusiness Center portal and agency web pages. However, as more agencies adopt this common look and feel, businesses may begin to assume that the individual agency sites are integrated with the eBusiness Center portal before the integration is actually in place. For example, a business might believe that changing an address with one agency on the eBusiness Center portal changes that address for all agencies that share the common look and feel. Great care must be taken in building user interfaces to clarify to customers which agency's system is capturing data submitted through the eBusiness Center portal and reinforce what level of data sharing is occurring.

#### 5.4.4. Vertical integration is a critical long-term goal

*Issue:* The eBusiness Center portal needs to consider that customer will expect transactions and information for other levels of government.

*Discussion:* Businesses and cross-agency focus group participants both identified the fact that customers do not differentiate between levels of government. For example, the business focus group participants wanted local government as the first access point for starting a business. While this eBusiness Center portal project is currently focused on the state government, expansion in the long term could involve local, county, and federal governments in order for businesses to declare the eBusiness Center portal a complete success. The EBO is in the process of

developing a pilot with the Department of Pesticide Regulations (DPR) that will involve county governments. This pilot is good first step.

## **6. Next Steps**

This report has presented the findings from PwC's four month-long study of 20 agencies and their processes for serving California's business customers. The implementation strategy proposed includes visions of both short-term and long-term strategies, based on the goals and critical success factors identified by businesses and state stakeholders. To help the EBO achieve its goal of the eBusiness Center Portal development, there are a number of steps that EBO and agencies can take now.

1. Agencies should complete their eGovernment planning documents, including a proposed eGovernment implementation plan, as mandated by the Governor's Executive Order D-17-00.
2. Based on these planning documents, agencies should begin to identify pilots for the next fiscal year and secure budget for those pilots through the current year budget change process.
3. Agency workgroup members and executive sponsors should share the results of this study with other stakeholders to spread awareness of the eBusiness Center portal implementation strategy. The EBO should begin to share the results of this study with other agency stakeholders and state leadership to build stakeholder support for moving forward with the portal development.
4. The EBO should continue to expand on existing and planned pilot development, ensuring that the pilots are aware of and are being developed with the long term strategy of building blocks and shared portal applications in mind.
5. The EBO should review and incorporate the final results from the UCLA Needs Assessment Study into the strategy to ensure businesses' requirements are being met.
6. The EBO should review and combine the portal design recommendations from Deloitte Consulting with the strategy to form a comprehensive implementation plan that addresses process, technology, and project management aspects of the project.

Businesses are growing more interested in accessing state services through the Internet. The agencies involved in this study have developed great insight into what processes are the best candidates to provide services for businesses. The confluence of these factors makes this an opportune time for the state to move forward in building the infrastructure to create a statewide enterprise portal that provides services customers want without having to identify which agency, what information or in what order to accomplish basic tasks. This is an opportunity for the state to support the businesses in accomplishing their principal object – running a successful business.

## Definitions and Abbreviations

### DEFINITIONS

**Claims and Funding** – Lifecycle phase that includes processes that are demands by a business against state or federal funds or demands by an individual against an employer's account, such as for unemployment or requests for grants or loans from the state by a business. The processes in the Claims and Funding phase include processing requests, payment, and exception/protests.

**HTML** – (**HyperText Markup Language**) The document format used on the World Wide Web. Web pages are built with HTML tags, or codes, embedded in the text. HTML defines the page layout, fonts and graphic elements as well as the hypertext links to other documents on the web. Each link contains the URL, or address, of a web page residing on the same server or any server worldwide, hence "World Wide" Web.

**HTTP** – (**HyperText Transport Protocol**) The communications protocol used to connect to servers on the World Wide Web. Its primary function is to establish a connection with a web server and transmit HTML pages to the client browser. Addresses of web sites begin with an http:// prefix; however, Web browsers typically default to the HTTP protocol. For example, typing www.my.ca.gov is the same as typing http://my.ca.gov.

**Initial Set Up** – Lifecycle phase that includes processes that a business must complete with the state to establish itself as a business that is allowed to operate in California. This phase includes four agencies – BOE, EDD, FTB and SOS – but does not include licensing or registration specific to a business industry.

**Licensing** – Lifecycle phase that includes processes that are applications and payments for **licenses, permits, certifications, and registrations** with a specific agency. The level of complexity varies from the simplest registrations with no required approvals or payment to the most difficult licensing and permitting processes with payment, examinations, criminal background check, and inspections.

**Lifecycle Phase** – The categories into which almost all processes in the Business Process Review fall based on similarity of process. The lifecycle phases will help the state to understand how software applications can be developed and shared by many agencies. The lifecycle phases include: Initial Set Up, Licensing, Renewals, Reporting, Taxation, Information/Customer Service, Claims and Funding. (See discussion in Section 3.)

**Lifecycle Stage** – The four main stages through which a business may pass when interacting with government. These include start up, operation, expansion, and close out. Each lifecycle stage consists of a number of lifecycle phases. (See discussion in Section 3.)

**Renewals** – Lifecycle phase that includes processes that are applications and payments for renewals of licenses, permits, certifications, and registrations that are part of the Licensing phase. The Renewals phase also includes maintenance processes such as change of address and compliance or enforcement processes such as payment of fines.

**Shared Portal Application** – Shared portal applications are developed through the use of components that are built to embed the common functionality required by processes of a particular type. For example, rather than implementing a templated Licensing application that is then copied and modified for every type of license that the G2B portal must accommodate, a single Licensing application is implemented that can dynamically accommodate multiple different license types each having a specific process that varies slightly from a common and fundamental licensing process.

**Taxation** – Lifecycle phase that includes processes where businesses file returns and make payments for state income, sales and use, and employment taxes as well as other premiums and assessments levied by state agencies.

**Track** – One of the four concurrent components of the implementation strategy. These include: Track 1 – Pilots and Quick Wins, Track 2 – Shared Portal Applications, Track 3 – Building Blocks, and Track 4 – Project Management. (See discussion in Section 4.)

## ABBREVIATIONS

24/7	24 hours a day, seven days a week
ABC	Department of Alcohol Beverage Control
ACH	Automated Clearinghouse
ADA	Americans with Disabilities Act
B&P Code	Business and Professions Code
BAR	Bureau of Automotive Repair
BBC	Bureau of Barbering and Cosmetology
BEAR	Bureau of Electronic and Appliance Repair
BHFTI	Bureau of Home Furnishing and Thermal Insulation
BOE	Board of Equalization
BPPVE	Bureau for Private Postsecondary and Vocation Education
BPR	Business Process Review/Reengineering
BSIS	Bureau of Security and Investigative Services
Caltrans	Department of Transportation
CDI	California Department of Insurance
CE	Continuing Education
CEIR	California Employer Identification Report
CFB	Cemetery and Funeral Bureau
CFL	California Finance Lenders
CHP	California Highway Patrol
CIWMB	California Integrated Waste Management Board
CORP	Department of Corporation
DBE	Disadvantage Business Enterprise
DCA	Department of Consumer Affairs
DFEH	Department of Fair Employment and Housing
DFI	Department of Financial Institutions
DGS	Department of General Service
DIR	Department of Industrial Relations
DLSR	Division of Labor Statistics and Research
DMV	Department of Motor Vehicles
DOF	Department of Finance
DOIT	Department of Information Technology
DOJ	Department of Justice
DOSH	Division of Occupational Safety and Health
DOT	Department of Transportation
DPA	Department of Personnel Administration
DPR	Department of Pesticide Regulations
DSS	Department of Social Services
DTSC	Department of Toxic Substances Control

DUI	Driving Under the Influence
DVBE	Disabled Veteran Business Enterprise
DWC	Division of Workers' Compensation
EAI	Enterprise Application Integration
EBO	Enterprise Business Office
EDD	Employment Development Department
EFT	Electronic Funds Transfer
ELT	Electronic Lien and Title
emm@	PricewaterhouseCoopers' eBusiness Maturity Model
EPA	Environmental Protection Agency
EPN	Employer Pull Notice
ESC	Escrow Companies
FTB	Franchise Tax Board
G2B	Government to Business
G2C	Government to Consumer
G2E	Government to Employee
G2G	Government to Government
HAD	Hearing Aid Dispensers Bureau
HCD	Department of Housing and Community Development
HHSDC	Health and Human Services Data Center
HTML	Hypertext Markup Language
HTTP	Hypertext Transfer Protocol
IP	Internet Protocol
IT	Information Technology
LAN	Local Area Network
LAO	Legislative Analyst's Office
LLC	Limited Liability Company
LLP	Limited Liability Partnership
LP	Limited Partnership
MB	Mortgage Bankers
MCP	Motor Carrier Permit
NOFA	Notice of Funding Availability
NOI	Notice of Intent
OE	Office Engineer
OSHA	Occupational Safety and Health Administration
PDA	Personal Digital Assistant
PDF	Portable Data Format
PIN	Personal Identification Number
PRD	Political Reform Division
PwC	PricewaterhouseCoopers
QME	Qualified Medical Examiner

RFP	Requests for Proposal
RN	Registered Nurses
SB	Small Business
SCO	State Controller's Office
SIC	Standard Industrial Classification
SIP	Self-insurance plans
SO	Statement of Officers
SOS	Secretary of State
SWRCB	State Water Resources Control Board
TPA	Third Party Administrators
TTCA	Technology, Trade, and Commerce Agency
UCC	Uniform Commercial Code
UCLA	University of California Los Angeles
WAN	Wide Area Network
WCIS	Workers' Compensation Information System
WRAP	Waste Reduction Awards Program